



Government of
Saskatchewan

Annual Report 1999-2000

**Saskatchewan
Agriculture and Food**



**Annual Report
1999-2000**

**Saskatchewan
Agriculture and
Food**

**Ninety-Fifth Annual Report
for the twelve months ending
March 31, 2000**

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Letters of Transmittal

Her Honour
The Honourable Lynda Haverstock
Lieutenant-Governor of the Province of Saskatchewan

Your Honour:

I have the honour to submit the annual report of Saskatchewan
Agriculture and Food for the twelve months ending March 31, 2000.

Respectfully submitted,

Clay Serby

The Honourable Clay Serby
Minister of Agriculture and Food

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Minister of Agriculture and Food

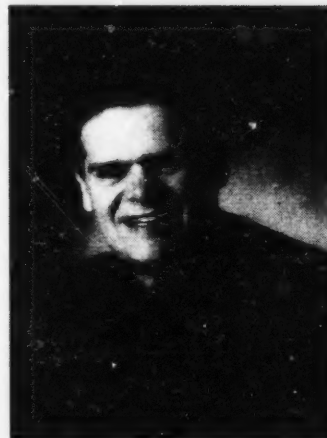
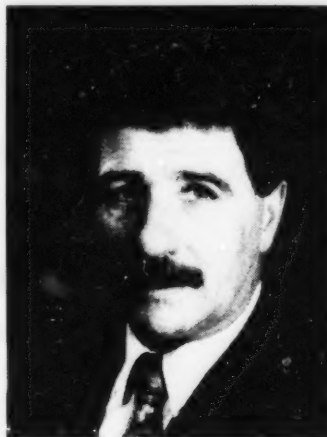
Sir:

I wish to present to you the annual report of Saskatchewan Agriculture
and Food for the twelve months ending March 31, 2000.

Respectfully submitted,

Gord Nystuen

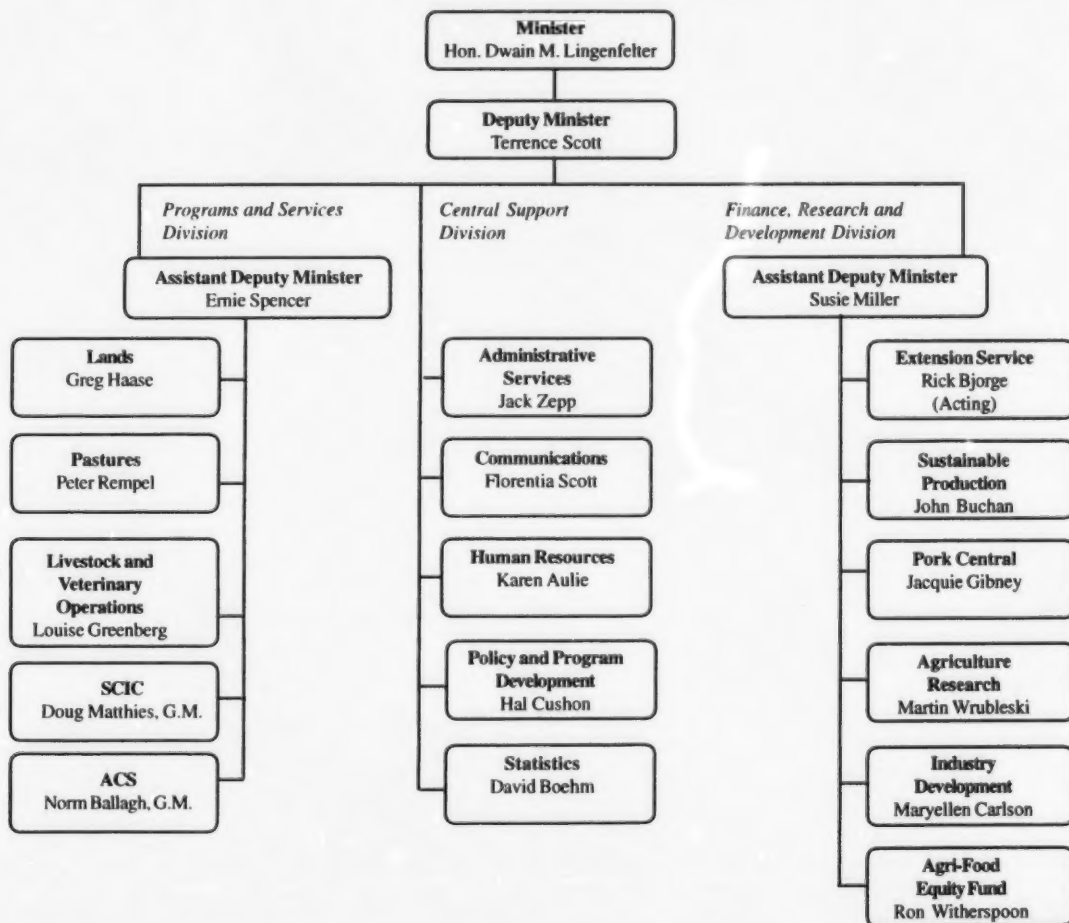
Gord Nystuen
Deputy Minister



Department Structure

SAF is composed of three major divisions: Programs and Services, Central Support and Finance, Research and Development, and the two Treasury Crowns: Saskatchewan Crop Insurance Corporation (SCIC) and the Agricultural Credit Corporation of Saskatchewan (ACS).

Saskatchewan Agriculture and Food Organization Chart (1999-2000)



Strategic Direction

Saskatchewan Agriculture and Food (SAF) has always been keenly aware that we cannot work in isolation because our agriculture and food industry is so important and complex, and is so sensitive to the influences of the international marketplace. Our plans must be built within the dynamic environment of our industry as it evolves and adapts to the ever changing world.

SAF's operations continued to be guided in 1999-2000 by the *Agriculture 2000* strategic direction. This strategic direction was the result of extensive consultations with farmers and industry organizations. *Agriculture 2000* contains a vision for the province's agricultural sector.

"Saskatchewan's agriculture and food industry will improve the lives of all Saskatchewan people by continuing to develop as an economically and environmentally sustainable industry."

The strategy to shape Saskatchewan's agricultural industry is defined by three foundations:

- a) *We must address the changes that will occur on the individual farms in Saskatchewan . . . To provide the opportunity for farm families to manage their land, better control their future and to be economically successful.*
- b) *We must encourage and develop higher value production . . . To diversify the agriculture and food sector and to add value to our agricultural production.*
- c) *We must consider the institutional changes and relationships that will enable Saskatchewan agriculture to compete in the world economy . . . To promote production, marketing, research, education and training institutions which contribute to the development of family farms, diversification and value-added production.*

The mandate of the department is to add value to agriculture by fostering a commercially viable, self-sufficient and sustainable Saskatchewan agriculture and food industry in partnership with industry. This mandate addresses the needs of individual farms, encourages and develops higher value production and promotes institutional changes required to meet the challenges and opportunities of the future.

SAF Vision

Our Vision Statement is our "imagination of what we want SAF to be":

"A learning organization, dedicated to effectiveness and innovation in public service.

In Partnership: to promote growth of an agriculture and food sector that embraces change to meet the challenges and opportunities of global competition."

SAF Future Directions

The "Future Directions" of SAF are long-term goals that will help SAF achieve its Vision.

TOWARDS AN ORGANIZATION THAT:

Builds the Reputation of Saskatchewan's Agri-Food Industry World Wide

No one is likely to invest in Saskatchewan's agri-food industry or to purchase its products if they are not aware of the province's opportunities. SAF needs to play a central role in building the awareness and reputation of Saskatchewan as a place to do business in agriculture and in related industries. Domestic and international players need a firm understanding of the economic possibilities of the province. SAF needs to continually reach out to those whose ingenuity, resources, and business initiative can help to build the agri-food economy.

Promotes Diversification and Adds Value to the Products of the Agri-Food Industry

Diversification and adding value have many meanings in the agri-food industry. Greater diversity in primary agriculture contributes to a farm economy with better stability and ability to deal with economic risk. This diversity can also provide the base for new value-added processing opportunities. One of the most important directions SAF must pursue is to assist the industry to find ways to produce and market higher-value products to capitalize upon the relatively strong growth in these markets relative to bulk commodity markets.

Supports Sustainable Growth in the Agri-Food Industry

Growth in the agri-food industry is necessary to provide opportunities for people to run businesses and to work in the agri-food industry. But the growth must be sustainable growth. This means achieving growth while conserving and protecting the natural resources upon which agriculture and non-agricultural activities depend. It also means producing crops, livestock and processed products in a way that provides a safe human environment and high quality, healthy end-products for consumers.

Contributes to a Secure Climate for Investment in the Agri-Food Industry

Investment has a habit of avoiding business environments with excessive levels of boom and bust in the marketplace. Agriculture has long been challenged by natural hazards of production and volatile markets. Business arrangements that effectively deal with production and market risks need to be adopted. In addition, insurance and stabilization tools need to provide a level of stability for the industry, while allowing businesses to respond to marketplace needs. A secure climate for investment that is competitive with other jurisdictions is critical to economic growth.

Creates Strong Relationships and Partnerships with the Agri-Food Industry and its Institutions

No single business, research institution, education institution, or government department or agency, can be all things to all people in the agri-food industry. The industry needs are far too diverse and complex. With this in mind, SAF must build strong relationships and partnerships with other players in the industry to make the most effective contribution. Building relationships takes time and patience and, once built, can be easily lost. But, strong relationships and partnerships are the only route to success.

Provides Specialized Programs, Services and Knowledge to the Agri-Food Industry

Henry Mintzberg, a noted management consultant and author, once said, "I do not wish to buy my cars from government any more than I wish to receive my policing services from General Motors." To put this in the current context, SAF needs to provide what it does best and leave the rest to our partners in the agri-food industry. As a government player, SAF is equipped to meet certain needs that others are not. Conversely, producers, universities, agribusiness and researchers each have their particular role which SAF is not equipped to perform. Put another way, SAF must ensure that we bring to our industry partnerships unique contributions that clearly add value to those partnerships.

Uses Leading-Edge Technology Effectively

Technological advance has certainly revolutionized the agri-food industry. Overwhelmingly, organizations that use leading edge technology effectively are those that add value to their product and give value to their customer. SAF must play a vital role in recognizing new technology that addresses the challenges and meets the problems the agri-food industry will face in the future. SAF must also play its role in transferring technology in its many forms to the ultimate industry users of technology. Of particular importance will be SAF's use of information technology as a tool for sharing information and delivering programs and services.

Builds on Learning, Dedication and Innovation

Learning, dedication and innovation are words from SAF's Vision. Knowledge must be continually acquired in today's fast-paced and ever-changing agri-food industry. Constant learning by all SAF employees will be vitally important to future achievements. A challenge will be to learn the right things in a world of unlimited information. Success can never be had without dedication and commitment to the organization and its Vision. Finally, SAF and its employees must innovate to drive change, and to respond to changing industry demands, as these redefine the need for SAF's services.

Department Goals

As part of our internal planning framework, the SAF Vision and Future Directions are further defined by a set of Department Goals that guide our "expectations for results" for the broad range of programs and services provided by the department.

Goal 1 - Generation of technology for new and better products, increased output, reduced production costs and environmentally sustainable practices.

Goal 2 - Easy and timely access to information and technology, appropriate to the agri-food industry's business management needs.

Goal 3 - Unique and innovative financing to meet capital needs for diversification and adding value to agriculture.

Goal 4 - Enhanced productivity and sustainability of agricultural resources to ensure sustained business opportunities.

Goal 5 - A regulating environment that enables growth through high quality products, food safety, environmental protection and market access.

Goal 6 - Effective management of business risks, with the agri-food industry responding to market signals about what to produce.

Goal 7 - Identification of new business opportunities in the agri-food industry.

Goal 8 - Provincial, national and international policies that promote growth, diversification and adding value to the Saskatchewan agri-food industry.

Goal 9 - Client satisfaction through friendly and effective customer service.

Goal 10 - A responsible and accountable organization with knowledge, skills, information and authority to perform with excellence.

Goal 11 - Responsible financial management and administration based upon strategic priority setting.

Goal 12 - Industry awareness of SAF's direction, goals, policies and programs.

Branch and Agency Mandates and Objectives

Each branch made a commitment to:

- Contribute to furthering the directions and goals of SAF within their mandates.
- Pro-actively manage human resources to maximize employee potential and performance by: integrating individual work plans with branch objectives, enhancing performance management, facilitating learning opportunities, and responding to employee survey action teams.
- Develop an active communication plan that promotes recognition for branch and department efforts, increases credibility of staff, and improves client understanding of how individuals and branches work to enhance development of the agriculture and food industry.

Administrative Services Branch

Mandate: *To assist with financial management and information technology to support an efficient and effective delivery of programs and services.*

Objectives:

- Ensure accountability of the department's financial resources through: policy and procedure development; expenditure and revenue processing and recording; expenditure and revenue forecasts; revenue and expenditure budget preparation; cash management; financial reporting; and program administration.
- Assist effective department operations through: Legislative and Cabinet services coordination; facilities management; purchasing and inventory control; mail and delivery service; transportation fleet coordination; telephone system coordination; records management; and Freedom of Information coordination.
- Ensure efficient and effective use of department resources through: strategic planning, program evaluation, and business improvement services.
- Design and deliver the department's information management systems through: information distribution services; Internet and Intranet design, development, maintenance and delivery; database design, configuration and performance monitoring; and application development, support and maintenance.

- Manage the department's information technology (IT) infrastructure through: hardware and software help desk support; hardware and software research, evaluation, acquisition, installation and maintenance; network and infrastructure planning, design, installation and maintenance; mainframe connectivity support; development of IT policies, standards and use guidelines; IT security planning, design and monitoring; and IT training.

Agricultural Credit Corporation of Saskatchewan (ACS)

Mandate: *To promote the wind-up of the loan portfolio in a timely and efficient manner.*

Objectives:

- Management of the current portfolio to maximize recovery while ensuring sensitivity to customer needs.
- Maintenance of debt resolution partnerships which serve the interests of all parties.
- Resolution of outstanding delinquent accounts by focusing on those accounts that are over 400 days delinquent. In addition, resolution of SCIC and Lands Branch accounts will be directed at the largest of these accounts and those that originated prior to 1993. ("Resolution" includes settlements, interest concessions, write-offs, accounts brought current or paid out.)
- Achievement of an orderly wind-up of the Corporation's affairs by March 31, 2000.

Agriculture Research Branch

Mandate: *To manage and co-ordinate SAF research investment.*

Objectives:

- Develop, communicate and implement a SAF research and development (R&D) strategy that focuses on priority areas and defines the relative role of industry funding.
- Determine the role of SAF in providing R&D financial support to companies.
- Revise the R&D project assessment and evaluation process jointly with contributing branches.
- Develop a technology transfer framework for SAF R&D projects in partnership with other branches.
- Review, revise and communicate the SAF intellectual property policy for R&D investments.

Agri-Food Equity Fund Branch

Mandate: *To promote sustainable economic growth and employment in Saskatchewan's agri-food sector.*

Objectives:

- Invest an expanded capital base of \$35 million in the province's agricultural businesses and stimulate the growth of the processing industry.
- Provide patient venture capital and business development consultation services to companies or cooperatives during a business start-up or expansion.
- Actively identify and analyze investment opportunities for agriculture and food-based initiatives.
- Enhance developments to a portfolio management system that monitors individual and aggregate performance, and allows for internal auditing.
- Continue to work with other government agencies in the development of an overall government investment strategy.
- Partner with other financial providers to arrange customized financial packages to meet unique business needs.
- Conduct training or informational sessions with department staff, other government agencies, or the business community, which focus on sharing branch expertise in the areas of equity investing, general financing, business management, due diligence and market analysis.

Communications Branch

Mandate: *To co-ordinate and provide assistance to effectively communicate and market the department's policies, programs and services.*

Objectives:

- Effectively market SAF services to clients.
- Expand activities regarding agricultural awareness – particularly targeted at the urban audience.
- Refine and expand the strategic communications planning process within the department.
- Review and revise Communications Branch services to various client groups.

Extension Service Branch

Mandate: *To assist in the adaptation of cost-effective technology in the production of products and to provide information on SAF programs.*

Objectives:

- Adapt, develop and deliver information to clients on new production and management practices and technologies in traditional and emerging commodities and areas.
- Increase the degree of specialization and skill sets of employees in order to offer focused information and services based on client needs.
- Create equitable partnerships with governments, industry associations and producer groups in order to increase the efficiency and productivity of Extension Service resources.
- Develop and implement employee and branch customer service standards that enhance the quality and timely service that we provide.

Human Resources Branch

Mandate: *To help create an effective and innovative organization working with the industry to help it grow.*

Objectives:

- Leading the assessment and development of strategies to ensure an appropriate organizational environment.
- Efficient and effective human resource processes, systems and tools for the recruitment and retention of employees to achieve SAF goals.
- Offering and supporting learning and development for employee, work team and department effectiveness.

Industry Development Branch

Mandate: *To provide specialized services for Saskatchewan agriculturally based industry through institutional development, food regulatory policy and business development.*

Objectives:

- Deliver information and expertise on opportunity area/project plans, which result in attracting, retaining and expanding Saskatchewan's agri-value business.
- Develop, review and make recommendations to amend SAF's policy and regulations to create a competitive business environment.
- Identify and analyse market developments and opportunities for the agri-value industry in Saskatchewan.
- Provide specialized services and information to the agri-food industry in partnership with the Food Centre and its members.

Lands Branch

Mandate: *To promote the sustainable and integrated use of Crown land while providing opportunities for diversification and economic growth.*

Objectives:

- Ensure the sustainable management and proper use of Crown land.
- Balance the social, environmental and social demands placed on the use and management of Crown land.
- Ensure the cost effective management of the branch's financial assets to meet established standards and generally accepted accounting requirements.
- Provide exceptional, cost effective client service in the day to day delivery of our programs.
- Manage existing and new technologies to improve the accuracy, integrity and delivery of information to all users and stakeholders.
- Facilitate opportunities for sustainable integrated land uses in a planned and coordinated manner.

Livestock and Veterinary Operations Branch

Mandate: *To support the agri-food industry by providing services and administering regulations for financial initiatives, animal disease control, environmental reviews, inspections, licenses, registrations and complaint resolution.*

Objectives:

- Provide excellent program delivery.
- Identify training needs within the branch and to provide the necessary learning opportunities for personal development and improved client service.
- Identify the changing needs of the industry to develop supportive regulations, policy and programs.
- Improve planning for more effective and efficient branch operations.
- Enhance our communication within the department and to our clients.
- Update or create policy and procedure manuals to provide guidance to the industry and staff.

Pastures Branch

Mandate: *To provide livestock business opportunities through a Saskatchewan Pastures Program while promoting public objectives of integrated land use and a sustainable land resource.*

Objectives:

- Provide supplementary grazing on an equitable basis to all Saskatchewan livestock producers.
- Maintain provincial grazing lands and fragile lands in permanent cover to promote soil stability.
- Promote environmental and agricultural sustainability of marginal Crown lands through good rangeland planning and forage management.

Policy and Program Development Branch

Mandate: *To anticipate and analyse economic opportunities and policy issues and respond by developing appropriate strategies.*

Objectives:

- Provide specialized economic analysis and information to SAF on the issues and opportunities facing the Saskatchewan agriculture and food sectors and propose public policies to help address those issues and opportunities.
- Identify and analyse the implications of the actions of other provincial, federal and other countries' governments on our agriculture and food sectors.
- Participate in and represent SAF on federal-provincial policy committees.
- Identify and monitor trends and issues that may impact the sector.
- Analyse and propose public policy frameworks that help the sector to grow.
- Assist in the communication of public policy positions to stakeholders.

Pork Central

Mandate: *To provide leadership and specialized services that contribute to an expanding pork industry that is globally competitive, environmentally sound and socially responsive.*

Objectives:

- In partnership, facilitate and support research activities that address industry needs and contribute to sustainable production units and assist producers in the adoption of new technologies.
- Development and delivery of a technology transfer program that ensures producers' information needs are met through exceptional customer service.
- Undertake initiatives in the areas of recruitment, training and career awareness which contribute to the development of a skilled labour force.
- Create an infrastructure and investment climate that facilitates expansion of the pork industry.

Saskatchewan Crop Insurance Corporation (SCIC)

Mandate: *To provide crop production insurance to farm business in order to manage production risk and to stabilize the farm economy.*

Objectives:

- Research, plan and develop programs and policy based on agronomic information. This is done through analysis, consultation, and managing within legislative guidelines and by keeping abreast of changing farm practices and production risks in order to reflect these changes in the insurance program.
- Be leaders in the delivery and enhancement of crop production insurance to agricultural producers.
- Ensure integrity in the yields reported by producers, the claims distributed to producers and the adjusting practices applied by the corporation.
- Effectively communicate the crop insurance programs and its various services to our public through print, electronic and broadcast media and marketing public relations.
- Provide information technology services for the corporation through leadership, timely systems development, quality control, networking services, operations and technical support, thereby assisting others to serve external customers.
- Enhance the effectiveness of human resources management within the SCIC and ensure quality employees are obtained, developed, properly use, evaluated and retained to ensure organizational effectiveness.

Statistics Branch

Mandate: *To compile, interpret and distribute statistical data describing trends in the industry to facilitate decision making for SAF and stakeholders.*

Objectives:

- Research, design and develop interactive relational data management systems that enhance the efficiency of the Statistics Branch in both the orderly storage and dissemination of agri-food data.
- Establish and maintain a network of information sources on emerging primary and value-added sectors in Saskatchewan.
- Facilitate the development of GIS capabilities in the branches/agencies of SAF.
- Meet the agri-food data needs of our clients – in terms of timeliness, accuracy, subject matter, and increase client awareness of branch programs and services.
- Establish sample survey capability to assist the branches and agencies of SAF to gather information for program and policy development and evaluation.

Sustainable Production Branch

Mandate: *To provide specialized production services to the Government of Saskatchewan, and to producers through extension agrologists and industry groups.*

Objectives:

- Development: in partnership with industry groups, identify opportunities for development and diversification of crop and livestock production in Saskatchewan and work with SAF branches and government agencies to create and implement strategies to help realize these opportunities.
- Specialist Services: through ongoing dialogue with industry and government stakeholders, develop, target, adapt and provide appropriate depth and range of specialist services, programs and informational products to increase sustainability of Saskatchewan crop and livestock producers.
- Regulation and Policy: develop, review, amend and administer SAF policy and legislation to ensure the further sustainability of crop and livestock production in Saskatchewan.
- Client Service: consult with internal and external clients to evaluate the appropriateness, and improve timeliness and efficiency of branch programs and services.

Industry Overview

Saskatchewan's agriculture and food industry is a vital part of the economic growth and development of the province.

With increased global competition, Saskatchewan's agriculture and food industry must respond to meet the related challenges and to capture the opportunities of the international marketplace. For this reason, the province has seen an increased focus on areas that add value and diversify the agriculture and food sector. During the year, the province continued to see the results of industry efforts, along with the contributions of Saskatchewan Agriculture and Food, in diversifying and adding value to agriculture in Saskatchewan. The year also demonstrated the continuing contribution of agriculture to the overall provincial economy and the socio-economic dimension of agriculture within Saskatchewan.

Year in Review

Saskatchewan farmers faced a challenging year in 1999. A cool, windy and dry spring limited seeding activity during April. Precipitation towards the end of April and early May alleviated the dry conditions; however, as May wore on, continued precipitation saturated soils in the eastern grain belt and delayed seeding operations. By the end of May, only 68 per cent of the crop was planted. It was estimated that at least one million acres of land in southeast Saskatchewan (about three per cent of Saskatchewan's normal seeded acreage) went unseeded as a result of the excessive moisture.

However, Saskatchewan producers still managed an above average harvest due to above-average harvested area (down from the previous two years but still well above the long-term average harvested acreage) and above-average yields for all crops. Considerable variability was reported at the local level, depending upon weather conditions and insect and disease infestations. Weed control was a struggle all season with the weather hampering spraying and cultivating operations. This was also a challenging year with crop diseases, as the cool, damp weather in most areas of the province was a perfect environment for many fungal diseases to flourish. Across the province, the first and second cuts of brome/alfalfa hay on dryland averaged 2.1 tons per acre, well above the 10-year average of 1.2 tons per acre. Hay quality suffered as rainy weather delayed haying operations. Some hay was weathered as it lay in the swath, while other hay was past prime when it was cut. Like the field crops, the hay yields were good, but quality was only fair.

The declining trend in crop prices that began in 1998 with falling cereal grain prices continued into 1999 with declining oilseed and specialty crop prices and continued low cereal grain prices. Livestock prices fared much better with a recovery in hog prices from the low reached in late 1998 and cattle prices that continued to strengthen during 1999.

Land and People

Saskatchewan's total land area is 220,200 square miles or 140.9-million acres.

Farmland area comprises 65.7-million acres, of which cultivated farmland area is 49.6-million acres, and native pasture and other is 16.1-million acres.

The number of farms in Saskatchewan is 56,995 as of the 1996 Census of Agriculture.

The average farm size is 1,152 acres with an average cultivated area of 870 acres.

According to the 1996 Census, the total Saskatchewan population is 990,237 composed of a total rural population of 363,059, and a total urban population of 627,178.

Income and Expenses

Total farm cash receipts in 1999 were \$5.462 billion compared to the five-year average (1994-98) of \$5.559 billion.

Net operating expenses in 1999 were \$4.263 billion compared to the five-year average of \$4.064 billion.

Net cash income in 1999 was \$1.199 billion compared to the five-year average of \$1.495 billion.

Average total farm family income for 1997 (the latest figures available) was \$49,095 compared to the five-year average (1992-96) of \$43,053. Total farm family income in 1997 included net farm operating income of \$18,154 and off-farm income of \$30,940. The five-year average (1992-96) for net farm operating income is \$15,647 and for off-farm income is \$27,406.

The total value of farm capital in Saskatchewan in 1999 was \$32.549 billion compared to the five-year average (1994-98) of \$30.151 billion.

Crop Production

The diversification of Saskatchewan crops continues. In 1999, two-thirds of the acres harvested in Saskatchewan had been sown to crops other than spring wheat. This compares with less than 45 per cent to crops other than spring wheat during the period 1984-88.

Harvested area for 1999 compared to the five-year averages of 1994-98 and 1984-88 is as follows:

Crops	Harvested Area (acres)		
	1999	1994-98	1984-88
spring wheat	10 735 000	11 599 000	16 070 000
canola	6 570 000	5 666 000	2 984 000
durum	3 560 000	4 700 000	3 792 000
barley	4 050 000	4 070 000	3 430 000
oats	1 550 000	1 590 000	786 000
flax	1 385 000	1 118 000	617 000
field peas	1 505 000	1 332 000	203 000
lentils	1 190 000	776 000	259 400
mustard seed	580 000	569 000	277 400
canary seed	335 000	399 000	153 800
fall rye	185 000	192 000	314 000
winter wheat	85 000	74 000	510 000
sunflower seed	65 000	40 000	12 300
spring rye	10 000	23 000	43 000
mixed grains	10 000	32 000	40 000
triticale	40 000	27 000	n.r.
caraway	10 000	8 500	n.r.
coriander	25 000	15 600	n.r.
coloured beans	10 000	n.r.	n.r.
chick peas	325 000	n.r.	n.r.
safflower	5 000	n.r.	n.r.
buckwheat	n.r.	n.r.	n.r.
borage	25 000		n.r.
Total	32 255 000	32 231 100	29 491 900

n.r. - not reported

Horticulture Crops

	Harvested Area (acres)		
	1999	1994-98	1984-88
potatoes	7 900	7 820	3 600
fruit	745	848	n.r.
vegetables	378	997	n.r.
greenhouse	36	32	9
sod and nursery	2 140	1 819	n.r.

n.r. - not reported

Livestock on Farms and Poultry Placements

	1999	1994-98	1984-88
total cattle & calves	2 719 000	2 786 600	2 111 400
total pigs	917 800	876 000	676 400
total sheep & lambs	83 400	79 700	58 900
chickens (for meat)	n/a	13 846 800	12 006 300
chickens (for eggs)	n/a	899 800	1 054 300
turkeys	n/a	778 000	760 000
bee colonies	91 000	87 500	111 700

Specialized Livestock

	1999	1994-98
wild boar	20 000	17 300
elk	21 000	11 200
bison	20 000	8 400
deer	7 500	4 900
ratites (ostrich, emu, & rhea)	2 000	3 200

Exports

The value of agriculture and food exports decreased in 1999 to \$4.125 billion compared to \$4.639 billion in 1998, and was also lower than the five-year average (1994-98) of \$4.512 billion. Some examples of exports and their value are as follows:

Value of Agriculture and Food Exports (\$ million)

	1999	1994-98
wheat	\$1 269.6	\$1 588.6
durum	764.5	826.0
canola	585.7	582.7
barley	130.9	245.7
cattle & calves	129.6	187.4
hogs	10.6	10.8
other livestock and poultry	15.4	10.7
plant products	288.4	197.7
food and beverages	12.5	10.2

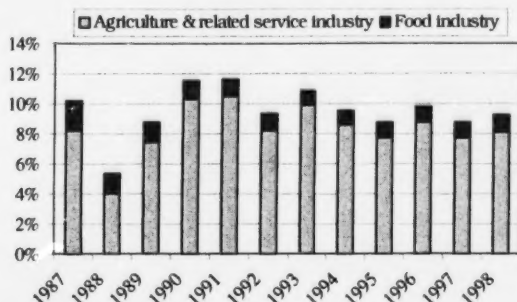
(Source: Statistics Canada)

Saskatchewan Agri-Food Industry Indicators

Saskatchewan Agriculture and Food monitors the state of the agriculture and food industry by using a set of historical indicators that allows us to follow the trends developing in the key economic and agronomic sectors. Under-

standing these statistical trends allows the department to develop its policy and program initiatives in a realistic context of the long-term trends in the industry.

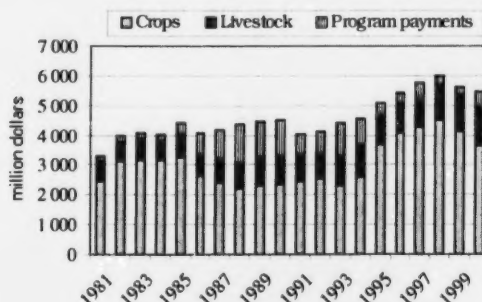
Saskatchewan Agri-Food GDP as a Percentage of Saskatchewan Total GDP



The importance of the agriculture and food industry is demonstrated by its contribution to the gross domestic product (GDP) of the province. It has consistently run around 10 per cent, varying with production (see dramatic drop caused by the 1988 drought) or from price variation in the last few years. Agriculture and food GDP has declined relative to the total Saskatchewan GDP since the early 1990s. This decline illustrates the growth and diversity of the Saskatchewan economy rather than a decline in agriculture.

Saskatchewan Sources of Farm Cash Receipts

The major contributor to the province's agriculture and food GDP is primary production. The sources of farm cash receipts indicate the cyclical nature of crop receipts, the relatively steady livestock receipts, and the drop in program payments since 1994.

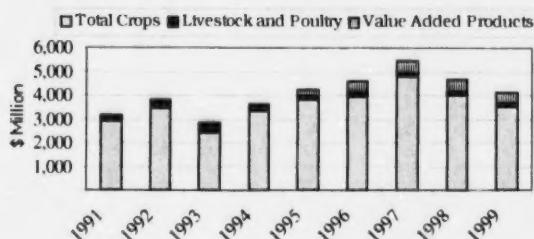


Saskatchewan Food and Beverage Industries Value of Shipments



The second major component of the agriculture and food GDP is value-added processing. While the dramatic growth since 1993 is indicated by the statistics for the food and beverage industry, there are many other components of further processing that are demonstrating similar growth trends.

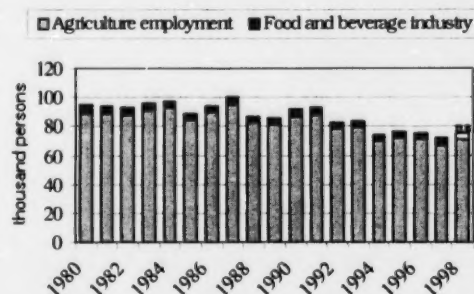
Value of Saskatchewan Shipments to other Countries



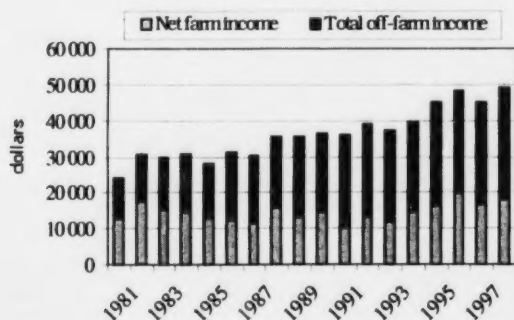
With a small population and a highly efficient production system, Saskatchewan will always be a major exporter of our agriculture and food products. The importance of those exports is indicated by the annual multi-billion dollar shipments. The increasing importance of value-added products is also demonstrated in the last few years. Future challenges for Saskatchewan will continue to be adding value to our raw exports and further processing prior to export.

Saskatchewan Agriculture and Food Sector Employment

Agriculture and food employment of over 70,000 people in a province of a million people is another indicator of the importance of the sector. These figures do not reflect the myriad of service industries that essentially depend on agriculture for their existence. Increased farm size and mechanization will see agricultural employment continue its declining trend.



Sources of Saskatchewan Average Total Farm Family Income



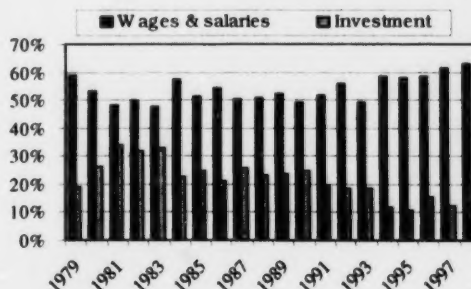
Farm families are increasingly turning to off-farm income to bring their income up to levels required to maintain a reasonable standard of living, which has not been available from farming itself.

*1998 income statistics not available at the time of printing.

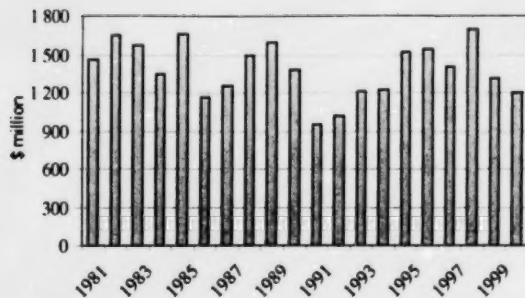
Saskatchewan Off-Farm Income Sources

Off-farm income includes investment income as well as wages and salaries. It is noteworthy that the investment income component has been in relatively steady decline since the early 1980s, while off-farm employment is on the rise.

* 1998 income statistics not available at the time of printing.



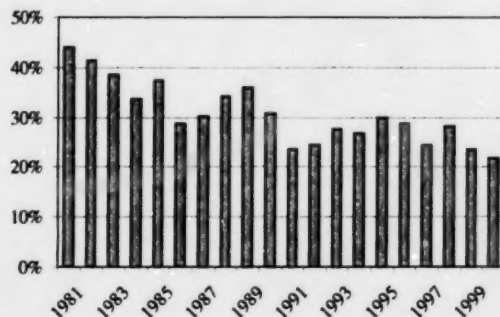
Saskatchewan Net Cash Income



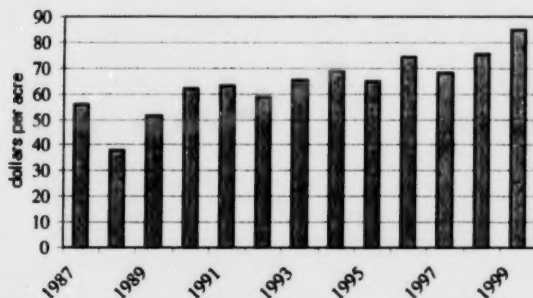
Net cash income is the amount of income a farmer has available after operating expenses but before taking depreciation into account. It is generally considered the best measure of a farmer's ability to respond to short-term income variability because depreciation or investment in equipment can be deferred in the short term.

Saskatchewan Net Cash Income as a Percentage of Total Farm Cash Receipts

Net cash income as a percentage of total farm cash receipts is a key indicator of the short-term margins that a farmer is achieving from his operation. The decline from above 40 per cent to around 25 per cent over the past twenty years is indicative of an industry that is seeing reducing margins over time. One result of smaller margins is increasing farm size.



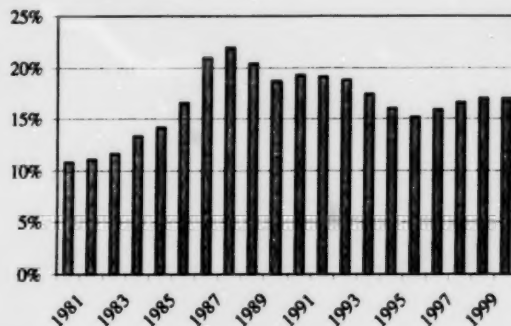
Saskatchewan Output \$/acre



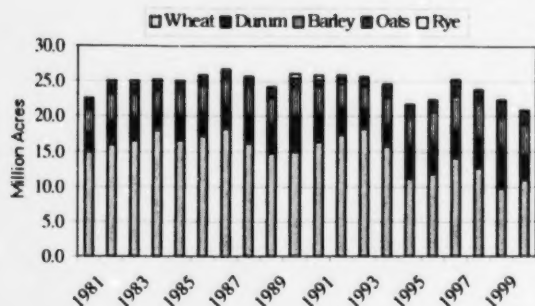
At the same time, the productivity of Saskatchewan farmers continues to increase. The Saskatchewan Output indicator is the combination of all crop and livestock receipts in constant dollars divided by the acres of farmed land. This measure of productivity looks at a per acre output of Saskatchewan agriculture holding the effects of price change constant.

Saskatchewan Farm Debt-to-Capital Ratio

The debt-to-capital ratio indicates that farmers in Saskatchewan tend to be conservative about borrowing and that the response to more difficult financial periods in farming is to reduce the level of debt in their operations.



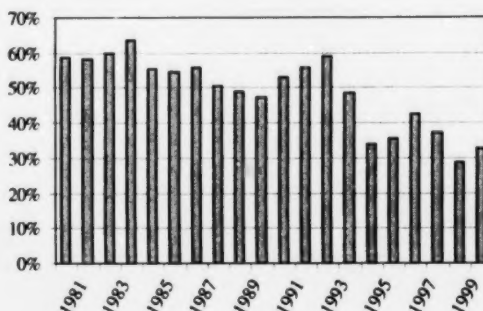
Saskatchewan Cereal Crop Acres



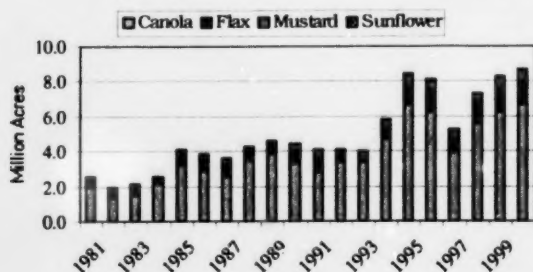
Cereal crops continue to be the backbone of the crops raised in Saskatchewan, primarily because of their importance in the crop rotation needs in farm operations and the generally less intensive farming practices required.

Saskatchewan Spring Wheat Acres as a Percentage of Total Seeded Acres

Saskatchewan has often been portrayed as a single-crop region depending on hard red spring wheat. That reality is changing rapidly - from a traditional 50 or 60 per cent of seeded acres, there has been a dramatic diversification to other crops since 1992. Saskatchewan farmers plant over 50 different crops today and are always on the lookout for new and better alternatives.



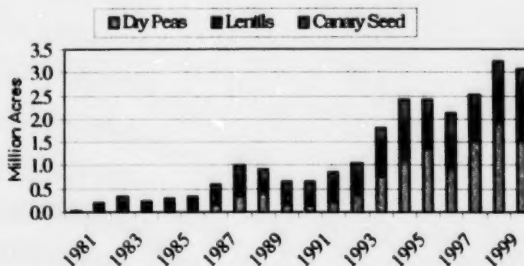
Saskatchewan Oilseed Crop Acres



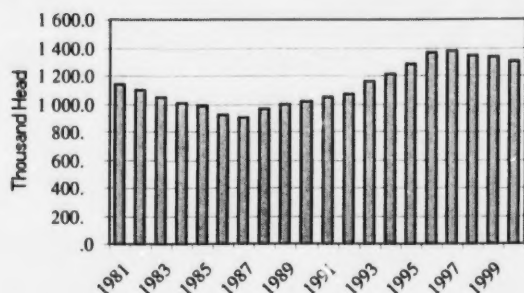
Oilseed crops have become an essential part of the Saskatchewan cropping options for farmers. Canola now vies with wheat as the most valuable crop produced in Saskatchewan since that shift away from spring wheat began in earnest in 1993. The move to longer rotations and continuous cropping has partly driven the expansion in oilseed acres.

Saskatchewan Specialized Crop Acres

Specialized crops, particularly dry peas, have also become an important cropping option for farmers since 1992. While requiring more intensive farming practices than cereal grains, they are also an important part of the crop rotation to alternate with oilseed production providing the unique benefit of nitrogen fixation which has the potential to reduce farm input costs.



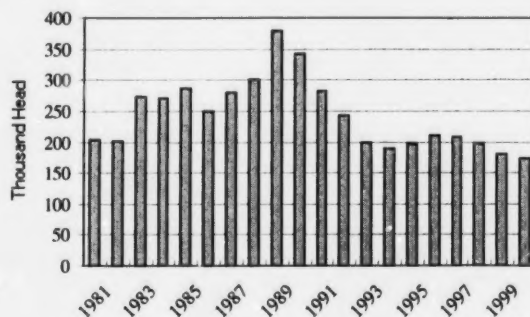
Beef Cows/Beef Replacement Heifers on Saskatchewan Farms, July 1, 1980-99



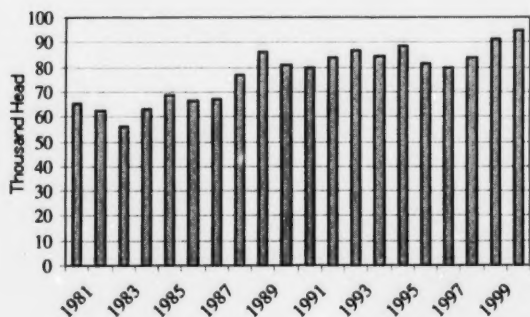
Livestock is also a key aspect of Saskatchewan agriculture and is an important stabilizing influence compared to the variability seen in the crops sector. The beef cows/replacement heifer index measures the "factory" of the cattle industry and the capability to produce calves for feeding and for replacement breeding stock.

Saskatchewan Slaughter Steer and Heifer Marketings, 1980-99

Slaughter steer and heifer marketings measure the amount of value-added to the beef calf that is done within the province. Generally, the statistics prove the adage that the Saskatchewan cattle industry is primarily based on cow-calf operations and that we tend to ship the calves or feeders we produce out of the province for final finishing and slaughter.



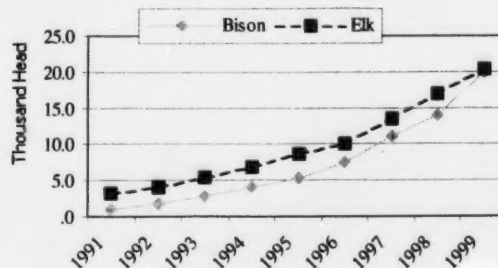
Sows and Gilts on Saskatchewan Farms, 1980-99



The sow and gilt inventory reflects the "factory" of the hog industry. The numbers here indicate a relatively steady increase in the capacity in the province, in contrast to other regions where there is a more cyclic pattern recently. Saskatchewan offers tremendous opportunity in the area of hog production with confirmed growth anticipated for the future.

Saskatchewan Estimates of Specialized Livestock Inventories, July 1, 1991-99

Specialized livestock represents the trend to diversification that farmers are trying to achieve in the livestock sector. The numbers are particularly impressive for bison and elk production.



SAF Initiatives and Accomplishments

Saskatchewan Agriculture and Food's operations in 1999-2000 focused on working with farmers and the industry to achieve *Agriculture 2000*'s objectives and on providing ongoing programs and services which add value to the sector as a whole. The broad range of initiatives and accomplishments, achieved by our partnerships with the industry, indicates the kind of co-operation and leadership that SAF is dedicated to providing farmers and the agriculture sector.

The resources appropriated by the Legislative Assembly to SAF are used to undertake programs and initiatives that meet the goals and directions of SAF, thereby contributing to SAF's mandate on behalf of the agri-food industry.

Goal 1

Generation of technology for new and better products, increased output, reduced production costs and environmentally sustainable practices.

SAF, through its research and development funding, has a powerful tool to contribute to new technologies and to enhance the knowledge base in agriculture and food industries. There is also a thriving research community in Saskatchewan to build on for the future.

The Saskatchewan Agriculture Development Fund (ADF)

ADF was established in 1985 to fund agriculture and food research and development in the province.

A 13-member Board of Directors, with representation from the provincial government, the research community and the agri-food industry, reviews project proposals received in May and November of each year. The Board selects the projects which will receive funding.

In 1999-2000, under the ADF *Research and Development Component*, SAF managed and provided support totalling \$5,994,000 for 94 new projects and 172 ongoing projects in the areas of field crops, horticulture, forage crops, plant breeding, plant disease and pest control, animal production, animal welfare, processing, animal disease and pest control, management, marketing and economics.

In 1999-2000, the department also funded 23 projects for a total of \$4,227,000 under ADF's *Strategic*

Research Program agreement with the University of Saskatchewan. These projects included research into soil biology, conservation, fertility, special crops, traditional crops, biotechnology, animal production, genetics, reproduction, animal welfare, native fruits, value-added processing of meats and crops, agricultural engineering, and animal disease diagnostics and reproduction.

Agri-Food Innovation Fund

The Canada-Saskatchewan Agri-Food Innovation Fund, known as AFIF, expensed \$17,412,735 to 179 projects during the 12-month period ending March 31, 2000.

Established in 1995, the Fund was created to promote and support emerging primary production and value-added processing activities within the province.

The \$91-million fund received two-thirds of its money from the Government of Canada and one-third from the Province of Saskatchewan. The agreement is managed by an industry-driven board of directors who are responsible for making funding decisions, approving projects and administering AFIF.

All of the money has been fully committed to projects in the eight strategic areas determined by the AFIF Board of Directors:

- biotechnology
- food processing
- horticulture
- information technology
- nonfood processing
- specialized livestock
- special crops
- sustainable agriculture

AFIF's mandate has been extended to 2002 in order for projects and programs to be completed. The Fund originally had been targeted to end on March 31, 2000.

Two major AFIF-supported projects opened for business during the year. The Saskatchewan Food Industry Development Centre, known simply as the Food Centre, opened in September on the University of Saskatchewan campus in Saskatoon. Two months later, the Stockman's Arena opened on the first day of Canadian Western Agribition (CWA) in Regina.

The Food Centre, which received \$13.4 million in total assistance from AFIF, is the largest single project to receive support from the fund. Long-term funding for the Food Centre is \$8.5 million. Additional AFIF support for projects related to the centre includes a \$2-million

INDUSTRY SNAPSHOT

Saskatchewan exports of primary agricultural products represents 38 per cent of the Canadian total value of primary agricultural products.

endowment to the University of Saskatchewan for a food scientist and technical services, \$2.7 million for human resource development programs to help food processors develop better business skills and \$200,000 for the Saskatchewan Food Processors Association to make their members aware of the centre's resources and build strategic alliances with individual companies.

In Regina, the Stockman's Arena was designed to handle the sale of specialized livestock such as bison and elk and was made possible by \$2 million from AFIF. The Stockman's Arena was constructed by enclosing the area between the Commercial Cattle Barn and the adjacent Regina Exhibition Stadium, creating a link between four existing barns and developing a new showpiece entrance to Agribition from Pasqua Street. New seating was added to Exhibition Stadium and the west side mezzanine was renovated to house the Agribition International Business Centre. These AFIF-supported improvements will help Agribition remain a key international forum where specialized livestock producers and marketers can meet and sell products.

Technology Adoption and Demonstration Program

The Technology Adoption and Demonstration Program was developed in 1998-1999 to enable SAF to support department planning initiatives and to commercialize agri-food technology of strategic importance to the province. The fund supports:

- Strategic programs initiated by SAF that provide critical information for informed decision making.
- Institutional initiatives that strengthen their long-term value as a support mechanism for industry development.
- Research and development pre-commercialization activities for businesses of strategic importance to the province.

In 1999-2000, a total of 53 projects received \$3.3 million in funding. Of these projects, 33 supported department initiatives, seven supported Saskatchewan institutions and 13 supported research and development activities associated with commercialization.

Saskatchewan Beef Development Fund (BDF)

The BDF was established in 1994 to administer the Beef Development Plan and uses funds from two sources: the

fund which remained following the termination of the National Tripartite Stabilization Program and the surplus from the Saskatchewan Beef Stabilization Board marketing account. The fund is administered by the Saskatchewan Beef Development Board, composed of six members appointed by the Minister of Agriculture and Food.

In 1999-2000, the BDF provided support of \$271,855 for 14 research projects related to the beef industry structure, cattle production, nutrition, breeding, disease control and beef processing.

Ag-West Biotech Inc.

Ag-West Biotech Inc., located at Innovation Place in Saskatoon, promotes the development of the agricultural biotechnology sector in Saskatchewan through marketing and information. Ag-West Biotech serves as an umbrella organization for the numerous ag-biotech companies.

SAF provided funding of \$1.1 million to Ag-West Biotech to assist the continuation of its activities and to assist with ag-biotech research.

Prairie Agricultural Machinery Institute (PAMI) Support

SAF provided annual core funding of \$768,000 for the 1999-2000 fiscal year to PAMI to carry out research, development, evaluation and extension activities to improve farm machinery and processes. PAMI is increasing its level of activity relating to value-added processes and equipment.

Veterinary Infectious Disease Organization (VIDO) Support

SAF provided \$300,000 in funding during 1999-2000 to support research and development as part of a five-year (1996-97 to 2000-01) agreement with VIDO for research in disease control and vaccine production.

Prairie Swine Centre Inc. Support

SAF provided \$250,000 in funding during 1999-2000 to support research and development in quality pork production as part of a five-year (1996-97 to 2000-01) agreement with the Prairie Swine Centre Inc.

Horned Cattle Fund (HCF)

The HCF was established in 1939 at the request of the industry to encourage producers to dehorn their cattle. Since 1952, \$2 has been collected from the purchase price of every horned animal sold in Saskatchewan. Over the past 35 years, the percentage of horned cattle sold in

the province has fallen from 20 per cent to less than 10 per cent. SAF collects the money through its livestock inspection system and uses the fund to support research in bovine health and management techniques as well as agricultural societies and exhibitions.

The fund is managed by the HCF Committee composed of representatives of the cattle industry appointed by the Minister of Agriculture and Food. In 1999-2000, the HCF collected \$157,362 in deductions and \$7,001 in interest. The fund supports cattle production research and product development and market promotion. In 1999-2000, HCF provided support of \$120,000 for four projects.

Cattle Marketing Deductions Fund (CMDf)

The CMDf was established in 1970 to promote the growth of the beef sector through research, promotion and market development activities. The fund is self-supporting via a "mandatory-refundable" checkoff of \$1 per head collected at the time of sale. Cattle producers who do not wish to participate in the fund can request a refund of the previous year's deductions at the end of every January. SAF collects the checkoffs through its livestock inspection system.

Beginning in August 1998, the fund began an additional \$1 per head mandatory non-refundable checkoff. This checkoff is collected and placed in a National Account to be used to support promotion and research taking place at the National level.

The CMDf is managed by the CMDf Committee composed of representatives of the cattle industry who are appointed by the Minister of Agriculture and Food. For 1999-2000, the fund collected \$2,807,396 in checkoffs and \$138,834 in interest. Refunds totalled \$110,207. The fund supports cattle production, promotion and development activities. In 1999-2000, CMDf provided \$1,917,281 to support nine projects.

Research Publications

Results of research projects undertaken with funding from SAF are available from the Agriculture Research Branch. Reports are also available on the Internet at <http://www.agr.gov.sk.ca/adf/>

INDUSTRY SNAPSHOT

The total value of agriculture and food exports reached \$4.1 billion in 1999, representing 41 per cent of the total value of Saskatchewan exports.

Goal 2

Easy and timely access to information and technology, appropriate to the agri-food industry's business management needs.

The body of information, knowledge, and technologies in agri-food industries is literally exploding in growth. SAF will use its information delivery system to meet the goal of putting the right information into the hands of people who need it, at the time they need it. Achievement of this goal will increasingly mean working with industry partners.

Client Service

During the 1999-2000 fiscal year, Extension Service staff:

- handled 121,954 telephone and 48,873 office contacts,
- referred another 54,859 telephone and 17,473 office contacts to other information sources for handling,
- made 20,697 field contacts and 3,572 farm calls,
- organized 643 producer events,
- resourced another 1,087 extension events,
- did 125 television and 891 radio programs and interviews,
- created 1,290 newspaper articles, and
- created 490 newsletters and notices with 629,090 copies distributed.

Inquiry Line

- SAF's Inquiry Line in Regina handled 8,104 calls and walk-ins from the public.

Farm Input Price Surveys

Input costs are one of the most significant factors in a farming operation. In order to assist producers in obtaining the lowest cost inputs for their operation, SAF and the Provincial Council of ADD Boards has embarked on a Farm Input Price Survey. Over 200 producers will submit expense data on a regular basis to a provincial database and the resulting information will be made available to producers. Coordination of this project began in 1999 and the first series of entries will begin in spring 2000. A funding partnership was established with Agriculture and Agri-Food Canada to help cover the cost of the program.

INDUSTRY SNAPSHOT

In 1999, Saskatchewan produced 80 per cent of the country's durum and 52 per cent of the country's total wheat production.

Publications

New publications in 1999/2000 included: *The 1998 Production Year Saskatchewan Cow-calf Costs and Returns Program*, *Cost of Production in Seed Potatoes*, *Farming in Difficult Times and the Greenhouse Vegetable Production in Saskatchewan - Production and Economic Information*. These publications combined actual farm financial information with production information.

Crop, Insect and Disease Surveys and Control

SAF, in cooperation with the Saskatchewan Association of Rural Municipalities, was successful in obtaining financial assistance totalling \$220,000 over three years from the Agri-Food Innovation Fund. These funds will be used to implement a Noxious Weed Management Program. The program has hired a contractor for a three-year period to: monitor existing colonies of biocontrol agents released for the control of persistent perennial weeds (including leafy spurge and scentless chamomile) and to release additional biocontrol agents on persistent perennial weeds as they become available; develop and implement a provincial scentless chamomile awareness and control program; and conduct an extensive review of and consultation related to the *Noxious Weeds Act* with the aim of developing a new Act that reflects the needs of the changing agri-food industry and municipal governments.

SAF initiated a Lygus bug survey to provide information on infestations in Saskatchewan. The 1999 survey was intended to determine densities and distribution of infestations and was based on 56 sites. In 2000 the number of sites will be increased and the focus will be expanded to include identification to determine species composition.

SAF coordinated the 1999 insect surveys (Bertha armyworm, Lygus, grasshopper and wheat midge) including interpretation, publication and distribution of survey results. Most surveys are conducted on an annual basis. The Bertha armyworm survey results are updated weekly during the growing season.

SAF coordinated 1999 plant disease surveys (canola, cereal leaf disease, and fusarium head blight).

SAF is involved in many aspects of programs related to the Fusarium Head Blight (FHB) issue. These activities and efforts include the following:

- Education of SAF extension staff and cereal producers regarding how to recognize FHB and ways to limit its development and spread. This includes the preparation of a fact sheet on FHB and presentations to producers at farm meetings.
- Review of ADF proposal applications related to FHB research.
- Participation at the Canadian Workshop on Fusarium Head Blight and on the national FHB steering committee.
- Involvement in a cereal disease survey to monitor the prevalence and movement of FHB within Saskatchewan. SAF Extension Agrologists collected cereal heads from fields throughout the province and the Crop Protection Laboratory determined the incidence and severity of FHB.
- SAF submitted and received the emergency registration of Folicur, a foliar fungicide to suppress FHB development for the 1999 growing season. SAF has resubmitted the request for 2000.
- SAF is looking at ways to better forecast FHB to provide an early warning system for producers when environmental conditions are favourable for FHB development.

Scentless Chamomile

Scentless Chamomile continues to cause concern among producers throughout the province. The weed is not only a prolific seed producer, it is one for which herbicide control options are limited both in choice and effectiveness. Southeast staff have been involved in activities to raise awareness of the weed and prevent new infestations as well as researching control options, including biological control agents. Scentless Chamomile weevil sites have been established through the region. Extensive monitoring was completed in the summer of 1999 with the Noxious Weed Management Program. Evidence of surviving weevils at many release sites was encouraging, yet this alone is not expected to result in control of the weed. Staff have been involved in preparing and distributing information on the weed and its control. District #5 ADD Board, working with Extension staff, developed an educational video and brochure. Mass rearing of biological control agents will also be explored and, if feasible, Extension staff will play a lead role in the project.

Game Farm Program

SAF developed:

- a comprehensive "Game Farm Procedures Manual" primarily for deer species.
- a "Trophy Ranching" information publication.

- a fact-sheet on Management of Johne's Disease in specialized livestock.
- a database for specialized livestock statistics which includes herd and animal inventories and market values.
- a "Predation Management Options" fact sheet.
- a "Livestock Guardian Dogs" fact sheet.

SAF assisted the Canadian Venison Council (CVC) to include the "Fencing for Elk and Deer" fact-sheet as part of their "Elk Farming Handbook" at next reprint.

SAF initiated and coordinated a bison industry development strategic planning working group with the executive of the Saskatchewan Bison Association to position Saskatchewan in a leadership role regionally, nationally and internationally.

SAF completed development of *The Domestic Game Farm Animal Regulations* and *The Diseases of Domestic Game Farm Animals Regulations*. These new regulations will lead to greater efficiencies within government in the administration and enforcement of the game farm industry. These regulations became law on May 25, 1999.

Livestock Development and Manure Management

Department staff filled key leadership roles on committees for the development of harmonized Intensive Livestock Operations (ILO) standards for the Prairie Provinces. Membership includes representatives of PFRA, Manitoba Agriculture and Food, Manitoba Natural Resources, Manitoba Environment and Alberta Agriculture, Food and Rural Development.

Staff are members of the National Soil and Water Conservation Program implementation committee for Saskatchewan. Membership includes SERM, Sask Water, SAF and PFRA.

Fact sheets on managing livestock in riparian areas were completed in cooperation with Saskatchewan Stock Growers Association, Grazing and Pastures Technology Program with funding from the National Soil and Water Conservation Program.

The department is a participant on the provincial Manure Management Working Group led by SAF Pork Central. Membership includes PFRA, PAMI, University of Saskatchewan Colleges of Engineering and of Agriculture, Saskatchewan Environmental Society, Saskatchewan Stock Growers, Saskatchewan Cattle Feeders, Sask Pork along with dairy and poultry producers.

INDUSTRY SNAPSHOT

Saskatchewan has approximately 500 organic growers, including 50 organic livestock producers. There are 25 organic processors in the province.

Staff represented SAF on technical committees in support of the joint provincial Upper Assiniboine River Basin Study.

SAF co-operated with PFRA to develop policy for PFRA to provide technical assistance to small ILOs.

SAF co-operated with PFRA and Saskatchewan Wetlands Conservation Corporation to utilize National Soil and Water Conservation Program funding to reduce pollution from 11 beef cattle operations located in riparian areas.

A complete review of the ILO application review and approval processing was completed to support the design and construction of a new database to enhance administration of the intensive livestock review and approval process.

An analytical study of the mechanisms of solute migration from earthen manure storage was completed in cooperation with Pork Central, Alberta Agriculture, Food and Rural Development and Manitoba Agriculture and Food.

Straw Information

Under the Agri-Fibre Opportunity Area, a project was initiated in cooperation with SAF and funded by Technology Adoption and Demonstration Program, to survey baled wheat straw from all regions of the province to determine the fertilizer nutrient levels in the baled portion of wheat straw.

Land Use Planner Software

SAF staff have been involved in the development of software called the Land Use Planner. This software has been developed to assist producers in decision making regarding land use in forage or annual crops. Extension staff and others had identified the possibility of cultivated land being reestablished as perennial forage in response to the elimination of the Crow Benefit on grain transportation.

Export Demonstration Plots

Staff were approached by Canadian Wheat Board representatives asking for co-operation in establishing demonstration sites showing small plots of wheat and barley varieties involved in the export program. For example,

INDUSTRY SNAPSHOT

The rate of growth in the organic industry is estimated at approximately 20 per cent per year.

staff in the southwest arranged for a plot site along the Trans-Canada Highway, which offered maximum visibility. Thirty plots were seeded with arrangements through Secan. Signing was completed and 30 flagpoles were erected, flying the flags of grain importing countries. Several group tours were conducted, utilizing the resources of the Semi-Arid Prairie Agricultural Resource Centre. Many people viewed the site through the growing season and plans are to continue the project.

New Crop Facilitation – Chickpeas

Acres seeded to chickpeas exploded in 1999 throughout the province. Many producers believed ascochyta would not be a problem since most varieties grown were characterized as 'ascochyta resistant'. The 1999 season was abnormally wet through the first eight weeks of the growing season. It quickly became evident that the resistance in the chickpea varieties grown was not full season resistance and many fields showed symptoms of disease as the crop flowered. This caught many farm managers and industry retailers by surprise and resulted in numerous questions on disease identification and control.

Ascochyta in chickpea can spread extremely quickly through a field so immediate answers were needed along with the need to let producers know about the disease. Chickpea cash costs are high and the potential returns for a high quality crop added to the urgency. Staff responded by answering many telephone and office inquiries from both farmers and industry, planning and resourcing field days, contacting media and responding to media requests and making field calls. This not only helped make fungicide application decisions, in many cases it saved producers the cost of spraying crops with no disease symptoms. Many producers later advised staff they harvested a high yielding, high quality chickpea crop due to the advice they had received and in many cases also suggested the advice not to spray saved them fungicide costs without sacrificing quality.

Precision Farming

Precision farming technology is emerging and, as a result, has required some investigation with innovative producers to assist clients in evaluating its merits. Switching to precision farming technology may present grain producers with new economic opportunities. Agrologists have been involved with one producer in developing management systems and measuring eco-

nomic impacts of variable rate input applications. This project was featured in April 2000 edition of *The Western Producer*, a farming magazine. Another agrologist assisted a farmer co-operator to bring precision farming variable rate technology to the field. Variable rate nitrogen was applied to eleven fields. Staff worked with various agencies to make the system work. Data was collected and analysis was done to show the results. Recommendations and results were discussed by University of Saskatchewan research staff.

Pulse Crop Meetings

Regional Pulse meetings, organized in cooperation with the Saskatchewan Pulse Growers Association, have been well received and well attended over the years. For example, during the 1999-2000 year, three regional meetings in the South region attracted over 400 producers. Seven of these meetings were held in total. In addition to the regional meetings, staff organized local meetings and field days which were also well attended. Three additional pulse meetings using Extension staff and Sustainable Production staff as resources attracted an additional 425 producers. Many producers have moved to include pulse crops in rotation, add new pulse crops to their rotation, and include more pulses in rotation. Extension efforts in this area have met a big need for pulse agronomic and economic information especially with today's crop prices as many farm units rely on their pulse crops to generate the profit on their farm.

Pesticide Management

SAF, in cooperation with the Saskatchewan Greenhouse Growers Association and SIAS, held pesticide training workshops to assist growers in obtaining their pesticide applicator licenses.

An electronic database was developed that includes all pesticide applicator related complaints since 1985.

Aerial application curriculums for Level 1, Ground Crew Technician and Level 2, Business Manager were completed as part of the Aerial Applicators Training Program. The development of a draft Pilot curriculum was completed by March 31, 2000.

Working With Producers

SAF staff, in partnership with the Cereal Leaf Disease Directorate, developed an awareness program in relation to best management practices of cereal leaf diseases.

SAF, in partnership with the Weed Resistance Education and Action Program (WREAP), developed a communication package and program related to herbicide resistance weeds.

The preparation and distribution of a bi-provincial 2000 Guide to Crop Protection in cooperation with Manitoba Agriculture and Food.

New fact sheets in the following areas were produced: "Organic Farming – Getting Started," a fact sheet on industrial hemp production was published, a new fact sheet on "Wildcrafting" was produced, and a new fact sheet on "Marketing Forage Seed" was produced.

SAF specialists are working with the Saskatchewan Herb and Spice Association to rewrite the Herb and Spice Production Manual, an industry publication that will provide producers with production and market information on a wide range of herb and spice crops.

SAF specialists provided support to the Saskatchewan Herb and Spice Association in planning for Herbfest 2000 and the annual meeting of the International Herb Association which will be held in Saskatoon and Outlook in July 2000.

The results of a Special Crops Processors Survey completed with the Statistics Branch were released. The survey indicated that 128 special crop processing plants are operating in Saskatchewan employing over 1,050 people.

Workshops were put on in areas of northern Saskatchewan to provide information to pickers on morel mushroom harvesting and on non-timber forest products.

SAF staff assisted the seed potato industry in collecting field samples for testing for Potato Spindle Tuber Viroid. Two years of testing is required for the seed industry to obtain European status for seed exports.

The department worked with the Saskatchewan Beekeeping Association in its participation at Apimondia '99, an international beekeeping convention in Vancouver. The convention was an opportunity to showcase the Saskatchewan and Canadian honey industries to 3,000 delegates from around the world.

The Saskatchewan Forage Crop Production Guide 2000 was published providing the latest information on forage varieties and agronomic information.

The Varieties of Grain Crops 2000 was published and distributed in the Seed Guide published by the Saskatchewan Seed Growers and the Western Producer.

SAF specialists assisted with industry meetings during Crop Production Week. All meetings were well attended. The Saskatchewan Pulse Grower meeting (Pulse Days 2000) was the biggest yet with over 1,200 people in

INDUSTRY SNAPSHOT

Since 1991, crops other than spring wheat have grown from 44 per cent of crop receipts to an estimated 71 per cent in 1999.

attendance. Seven winter pulse crop workshops put on by SAF and the Saskatchewan Pulse Growers were also well attended, indicating the level of interest farmers have in pulse crop production.

SAF staff cooperated with the Saskatchewan Forage Council to host four regional forage extension meetings dealing with grazing, forage management and seed production. Approximately 350 producers attended these meetings.

The department assisted industry and the Grazing and Pasture Technology Program in hosting a major grazing conference in Saskatoon with 350 participants in attendance.

An information bulletin entitled "Rural Water Programs and Assistance" was produced. It addresses low water levels in dugouts for watering livestock on pasture.

A Saskatchewan Cattle Industry Stakeholders meeting on the National Cattle Identification Program was organized.

The department assisted the Saskatchewan Stock Growers Association in planning and the implementation of a seminar titled "Quality Starts Here – A Ranch Perspective".

Assistance to General Agricultural Interests

- A grant of \$530,000 was provided to the ADD Boards in relation to the field worker program, which provides funding for co-ordinated pest control programs with the largest being rat eradication.
- A grant of \$125,000 was provided to District #32 ADD Board to assist in the co-ordinated control of black flies in the Prince Albert region.
- District #1 ADD Board received \$20,000 to fund a pilot project intended to provide counselling assistance to farm families and co-ordinate access to existing resources.
- SAF provided \$50,000 to sponsor 26 episodes of the television program AgriBiz, which focuses on agronomic issues of importance to Saskatchewan producers.
- \$74,060 was provided to Crown land leaseholders in compensation for the disturbance and loss of production that oil and gas easements and drilling caused on Crown land.

INDUSTRY SNAPSHOT

Saskatchewan produced 45 per cent of Canada's 1999 canola crop.

- SAF provided \$35,000 for sponsorship of the Taste of Saskatchewan Program and Host of the Day at the International Business Centre during the Canadian Western Agribition.
- An annual grant of \$10,000 was provided to the Royal Red Arabian Horse Show to assist in hosting this prestigious event in Regina.
- The Centre for Agricultural Medicine received a grant of \$95,000 for support of extension programming to reduce agricultural related deaths and injuries.
- Funding of \$271,000 was provided to the provincial 4-H program. SAF also provided significant in-kind support, such as office space and equipment.
- Saskatchewan Stock Growers Association received an annual administration grant for the Prairie Conservation Action Plan, which looks at proper management of the prairie ecosystem.
- An \$8,000 grant was provided to the University of Saskatchewan to operate a horticultural hotline in the area of non-commercial horticulture.
- The department supported the 2000 National Ag Awareness conference with a grant of \$2,000. The conference was put on by Agriculture in the Classroom.
- The Canadian Beef Export Federation received a grant of \$20,000 to assist with activities to increase Canadian beef exports.
- SAF provided sponsorship funds of \$5,000 for the Dri-Crops Conference in Alberta, organized by the Canadian Dehydrators Association. The conference provided Saskatchewan producers with the opportunity to gain information on new products and the technology required to produce them.
- SAF showed its support of the Saskatchewan seed industry by providing a sponsorship grant of \$5,000 for the Canadian Seed Growers Association convention in Saskatchewan.
- The department assisted with the promotion of the Western Division of the Canadian National Dressage Championships in 2000 with a grant of \$5,000.
- SAF provided a grant of \$5,000 to Classy Construction Inc. - a strawbale home construction project.
- SAF contributed \$5,000 towards a bison conference planned by the First Nations Agribusiness Co-operative Inc.
- SAF provided sponsorship funds of \$12,000 towards the International Grain Council 2000 conference held in Regina. This conference raised the profile of our industry by bringing together international grain merchants, corporate financiers and international policy makers.
- The Kinistin Saulteaux Nation received a sponsorship grant of \$5,000 to host a bison conference.
- The Saskatchewan Bison Association received a grant of \$10,000 to supplement the costs of activities related to developing the bison industry in the province.
- SAF provided a grant of \$5,000 to co-sponsor a New Generation Co-operative Development conference with the department of Economic and Co-operative Development. NGCs will be an important development tool for the agricultural industry.
- The Saskatchewan Hall of Fame received a grant of \$5,000. The Hall of Fame plays an important role in our industry, honouring those who have made a substantial contribution to agriculture.
- SAF provided a grant of \$5,000 to the Saskatchewan Agrivision Corporation to assist with the costs of their annual convention.
- Saskatchewan Council for Community Development received an administration grant of \$5,000. This organization works towards developing a vibrant social environment, optimal economic support and an enriched quality of life for Saskatchewan residents.
- The Saskatchewan Dairy Herd Improvement Corporation received operating funds of \$90,000 to support SDHIC in administering the Dairy Herd Analysis Service Program.
- SAF provided a grant of \$10,000 to Saskatchewan Food Processors to offset speaker costs for the Western Canadian Conference on the Food Industry.
- A \$20,000 grant was provided to the Saskatchewan Organic Directorate to assist in providing extension services to organic growers. Organic production meets a market opportunity for a number of Saskatchewan farmers and we will continue to work to help develop the industry.
- An administration grant of \$55,000 was provided to the Saskatchewan Sheep Development Board to assist in developing the sheep industry in the province.
- SAF provided \$7,500 to the Saskatchewan Soil Conservation Association in sponsorship of 50 per cent of the costs of the SSCA annual direct seeding conference.
- SAF provided sponsorship funds of \$7,055 for the evening reception of the International Federation of Agricultural Producers Conference, organized by the Saskatchewan Wheat Pool. The conference provided world agricultural representatives the opportunity to work together towards developing agricultural policies beneficial to producers worldwide.
- SAF provided \$9,836 to the Saskatchewan Women's Agricultural Network to sponsor delegates to the Canadian Farm Women's Conference.

- University of Saskatchewan received a grant of \$5,000 to assist the Centre for the Study of Co-operatives on issues surrounding rural and remote telecommunications service in Saskatchewan.
- SAF provided \$41,123 to cover the transportation costs of the Bengough Rally Group, which travelled to Ottawa to lobby the federal government for farm crisis assistance.

Farming in Difficult Times

A National Farm Crisis Committee funded by the Canadian Farm Business Management Program was established with a representative from SAF. This committee will be putting together a publication for producers on early warning signs of farm financial difficulties and how to deal with farm financial crisis. The target date for the publication is late fall 2000.

Spring Flooding

Spring flooding across the Southeast Region in 1999 resulted in an excess of one million acres of annual crop land left unseeded. This resulted in financial stress for many farm families in addition to the stress created by delayed seeding and non-seeding. The District #1 ADD Board, working through an Extension Agrologist, identified a need for extra efforts in dealing with farm family stress throughout the southeast. A series of farm family forums were planned, promoted and held in the region. The program featured speakers dealing with stress, establishing support structures, family communication and resources available to assist families with stress. The seminars were well received by those in attendance and many farm families told organizers the initiative was instrumental in helping their family cope with the stress on the farm.

Farm Stress Unit

The mandate of the Farm Stress Unit is to provide confidential peer counselling information, support and referral services responding to the needs of farm and agriculturally related people who are experiencing social, emotional, physical safety, and financial difficulty in a constantly changing environment.

The Farm Stress Unit operates the toll-free Farm Stress Line, manages the Saskatchewan Human Services Directory, and acts as a resource to rural Saskatchewan on farm stress matters, issues, and challenges facing farm people.

The Farm Stress Line received 1,793 calls in the 1999 calendar year. This was a 13 per cent increase over 1998 and a 35 per cent increase over the average number of calls received in the years 1992 to 1998. Financial issues were addressed in an estimated 36 per cent of the calls.

INDUSTRY SNAPSHOT

Approximately two-thirds of the 6.25 million acres of canola planted in Saskatchewan in 1999 were herbicide-tolerant varieties (compared to four per cent in 1996).

This category included discussions on insolvency, collection actions and bankruptcy. Callers also addressed the issues of stress and burnout, as well as a wide range of personal, relationship (marital), and family issues.

Agricultural Institute of Management in Saskatchewan (AIMS)

AIMS and its partners (private consultants, producer clubs, industry organizations, University of Saskatchewan, Saskatchewan Institute of Applied Arts and Sciences, Regional Colleges and Extension Service) continued to deliver farm business management information to Saskatchewan farmers.

In 1999-2000, approximately 23,000 participants (farmers/farm managers) accessed programs/projects offered through AIMS bringing to 84,000 the number of participants since inception in 1989. Ongoing program areas included: Consultant Workshop Program, Speaker/Conference Sponsorship Program, Seminars and Workshops, Market Prospects and the annual Profiting from Agricultural Change (PAC) conference.

AIMS supported a pilot project in 1998-1999, the Agribusiness Management Development Program (AMDP), in cooperation with the University of Saskatchewan (Colleges of Agriculture and Commerce) and the Canadian Adaptation and Rural Development Fund (CARD). This pilot project was very successful and was continued in 1999-2000. In 1999-2000, 28 farm and industry managers completed the four module program.

In the past year, AIMS provided staff and funding for:

- Speakers on farm business management through the Consultant Workshop Program and the General Speakers Program (Consultant Workshop Program - 259 sessions - 13,284 participants; Speaker Program - 45 events - 8,519 participants).
- Development and distribution of a bison financial planner and production information CD-ROM (over 100 sold to this date).
- The delivery of provincial farm management workshops (Introduction to Certified Organic Production, Medicinal Herbs Marketing and Specialized Livestock - 37 workshops for 348 people).
- Management of the AFIF Managing Technology for Agriculture Information (MTAI) project which piloted webcasts, hosted agricultural "Virtual Lunch", an

INDUSTRY SNAPSHOT

Saskatchewan's production of lentils in 1999 represented 97 per cent of Canada's total lentil production.

Information Technology Works conference, developed Internet training manuals and delivered 30 advanced Internet Training workshops for 319 farmers.

- Development and delivery of an Internet Training Centre for farmers, in co-operation with SIAST and regional colleges, (AIMS successfully developed a carrier for on-line training with seven courses for 75 participants completed during the year – e.g. Farm Succession Planning). The benefits of low cost of class delivery and “work at your own pace and place” make on-line training available to those who cannot commit the time during typical working hours. Although there is some difficulty in having an open discussion, systems are being developed to get around this problem. Delivery cost is low and this format of delivery will continue to be perfected and expanded.
- Board Basics workshop with 29 participants, the Beef Cost of Production Project; Saskatchewan Management Plus Program and Market Prospects 2000.

Green Certificate Program

The Green Certificate Program provides a structured training curriculum to farm managers for conducting staff training on Saskatchewan farms. Farm workers can obtain certification for mastery of practical, hands-on skills essential for the basic operation of a farm. Program objectives are to make farm managers more aware of the farm management training resources available and to train individuals to competently fill key roles in the farming industry. One hundred and fifteen certificates have been awarded to Green Certificate Program trainees since inception of the program in 1995.

Agriculture in the Classroom (AIRC) Program

Saskatchewan Education approved a school-based program that is called Agriculture Technician 10L, 20L and 30L for grades 10, 11 and 12. This program uses the Green Certificate Program as the on-farm training part of the curriculum. Students can earn a total of three credits towards a high school diploma. Seven schools have students enrolled in this program and the Green Certificate Program coordinator has met with several other schools and school districts that have indicated an interest in offering this course to students.

SAF is working with Saskatchewan Post-Secondary Education and Skills Training (SPEST) and Saskatchewan Institute of Applied Science and Technology (SIAST) on the development of a program proposal for funding an

“over 55 workers pilot project”. The project is designed to test innovative measures designed to reintegrate displaced older workers (farmers or employees) into sustainable employment, or maintain in employment/business older workers threatened with displacement. This pilot project will be a test for a more formal type of “transitions” program for farmers.

Canadian Farm Business Management Program

A new Canadian Farm Business Management Program agreement has been completed with Agriculture and Agri-Food Canada. The Canadian Farm Business Management Program (CFBMP) has been delivered by a not-for-profit corporation, the Agriculture Institute of Management in Saskatchewan (AIMS), for the past several years. Under the new agreement, the Saskatchewan Council for Community Development (SCCD) will provide administrative and implementation services for this program. An AIMS advisory committee will identify farm management needs, opportunities and initiatives and provide recommendations on project funding. Over the next two years, the funding provided by the CFBMP will be reduced to zero by 2002/2003 (\$440,000 in 2000/2001 and \$220,000 in 2001/2002).

Goal 3

Unique and innovative financing to meet capital needs for diversification and adding value to agriculture.

SAF has moved from providing general financing for multi-purposes to a more targeted approach that meets goals in the marketplace. Meeting the goal will be particularly important to move in the direction of value-added agriculture in Saskatchewan.

Agri-Food Equity Fund

The Agri-Food Equity Fund (AFEFF), established in 1994 to stimulate growth of the processing industry in Saskatchewan, was extended for three more years, with an expanded capital base amounting to \$35 million. Since inception, AFEFF approved investments of over \$17 million in 24 businesses, creating more than 400 jobs and expanding markets for our farm products.

AFEFF provides venture capital and business development consultation services to companies or cooperatives that process primary agricultural products, market and distribute processed products, supply inputs to processors or farmers and produce or supply non-traditional primary agricultural products.

The goal for each investment is to provide capital for an eight-year period, at which time AFEF would divest itself of the investment. Revenues generated from investments are returned to the fund for reinvestment in other value-added opportunities.

AFEF specializes in four major sectors: Food Processing, Non-Food Processing, Knowledge-Based Industries related to Agriculture and Agricultural manufacturing. The fund not only provides patient capital in the form of equity financing, but also offers unbiased business expertise and advice.

In fiscal year 1999-00, AFEF disbursed investments in debentures, common shares and preferred shares totalling \$2,636,476.

EXL Milling Ltd.	\$256,476
TML Foods Inc.	830,000
Durafibre Inc.	300,000
Fytokem Products Inc.	350,000
Infraready Products Inc.	100,000
Gordos Foods Inc.	300,000
Performance Plants Inc.	500,000

During the fiscal year, AFEF earned revenue of \$464,798 (not audited) from interest, dividends, administration fees, and gains on investment; and had investment principle of \$298,160 redeemed to the fund. These revenues and redemption are available for future investment.

Also, as of March 31, 2000, \$21.7 million of the \$35 million authorization remains available to the fund for investment disbursement. AFEF will continue to access these funds, as required, through a loan from the province.

Livestock Loan Guarantee Program

The Livestock Loan Guarantee (LLG) Program assists Saskatchewan residents to establish production associations and to borrow funds on the strength of a government guarantee to the lender and the association's assurance fund. The funds are used by the association to purchase cattle, sheep and feeder bison.

	98/99	99/00
Number of cattle associations	131	128
Number of members	5,700	6,000
Loan Guarantees (cattle)	\$31.1M	\$30.0M
Feeder Cattle Purchased (Head)	125,930	135,300
Value of Feeder Cattle	\$80.1M	\$93.3M
Breeder Cattle Purchased (Head)	24,770	26,700
Value of Breeder Cattle	\$23.7M	\$28.1M
Feeder Bison Purchased (Head)	Nil	204
Value of Feeder Bison	Nil	\$214,000
Breeder Sheep Purchased	Nil	1,972
Value of Breeder Sheep	Nil	\$286,000

Activities during 1999-00 included:

INDUSTRY SNAPSHOT

Saskatchewan produced 92 per cent of Canada's canary seed crop in 1999.

- Regulations were completed enabling the formation of associations to finance feeder bison. Three new bison feeder associations have been established.
- A provincial sheep association was established to allow the purchase of feeder lambs and bred ewes.
- Regulations were amended to allow the purchase of feeder cows within the existing feeder cattle program and to increase the individual limits for the purchase of feeder cattle and bred cattle.
- Legislation amendments were initiated which will facilitate the joint purchase of commodities, a common business practice in custom operator arrangements.
- LLG staff continued to emphasize the importance of sound administration of associations by initiating training for association staff, random inventory audits and formalized operation reviews of association staff and lenders.
- After an internal investigation revealed there were 1,800 head of missing cattle with a value of approximately \$1.4 million at a feedlot in southeast Saskatchewan, the file was turned over to RCMP fraud investigators.

Livestock and Horticultural Facilities Incentive Program

The Livestock and Horticultural Facilities Incentive Program provides an annual rebate of the Education and Health (E & H) tax paid on building materials used in livestock operations, greenhouses, or vegetable and raw fruit storage facilities. The rebate program continues to promote the expansion and diversification of the agriculture sector. The program was extended for an additional three years to December 31, 2003.

During the 1999-2000 fiscal year, the total number of applications received by the department and the total refund amount included the following:

Type of Application	# of Applications	Total Refunds
Hog	62	\$1,503,000
Cattle	87	105,000
Dairy	24	161,000
Poultry	18	134,500
Potato	7	443,000
Bee	18	31,000
Other	21	15,000
Total	237	\$2,392,500

INDUSTRY SNAPSHOT

Eighty-five per cent of Canada's total mustard crop was produced in Saskatchewan in 1999.

Goal 4

Enhanced productivity and sustainability of agricultural resources to ensure sustained business opportunities.

SAF manages directly over eight million acres of Crown land, which offers opportunities for continual improvements in productivity. In addition, through research technology transfer and appropriate regulations, SAF contributes to the goal of ensuring productive and sustainable use of the vast natural resources agriculture relies upon.

Crown Land Administration

SAF managed approximately 7.635 million acres of Crown land, including:

- 6.026 million acres of land classified as agricultural (cultivated, forage and native); and
- 1.609 million other acres (composed of 22,947 acres of non-agricultural land such as oil and gas leases, quarry, public and commercial land; 179,082 acres of land under agreement for sale; 797,760 acres of provincial pasture land; 456,733 acres of PFRA pasture land; and 152,195 acres of vacant land).

In addition, over three quarters of a million acres of land under water bodies belong to the Crown and are administered by SAF.

SAF realized income of over \$26.615 million dollars from Crown land administration (excluding the Saskatchewan Pastures Program revolving fund) that included:

- \$22,416,000 - Rent on agricultural leases, petroleum and gas leases, easements, quarry lease and penalty interest;
- \$3,727,000 - Gain on sale of land;
- \$572,000 - Interest on sale of land and improvements;
- \$446,000 - Agreement administration fees;
- \$23,000 - Royalties from sand and gravel; and
- \$2,600 - Other.

Rentals were waived on 21,308 acres of land in south-eastern Saskatchewan in recognition of the excess moisture that prevented seeding in the spring of 1999. This was done in accordance with normal operating procedures and is indicative of our ability to respond to this type of natural occurrence.

Responded to the farm income crisis by providing an opportunity for individuals who were unable to pay past due rent and were facing lease cancellation, to surrender their leases in favour of three one-year permits. They are also able to delay paying their lease arrears for the three years, at which time they will be able to amortize the arrears over a further five-year period.

Multiple Use of Crown Land

Multiple use of Crown land continues to expand in an integrated fashion, often coexisting with traditional agricultural use.

The number of requests for nontraditional uses of Crown land has increased significantly. In 1999/2000, staff responded to requests for: forest expansion, including agroforestry; game farming; the exclusion of industrial development from certain lands; sale of lands with Conservation Easements; withdrawing lands from agricultural use for recreation and wildlife purposes; use of land for outfitting; requests to access occupied agricultural leases for recreational purposes; vacation farms; representative areas; and, First Nation Treaty Land Entitlement.

The development of the Crown Lands Stakeholders Forum is a major initiative to allow all stakeholders to express their interests in Crown land in round table discussions with a view to determine how the various and often conflicting interests may be accommodated. This marks the first time that the various stakeholders have had the opportunity to seek consensus in a formal way. It is expected that future policy decisions will have greater public support through this process.

Lands Branch implemented a monitoring process that gathers information that will track the ongoing ecological health of Crown land. In 1999/2000, an improved procedure developed in cooperation with the Saskatchewan Research Council was used on the prairie ecological zone.

Staff continued discussions with the Saskatchewan Outfitting Association to explore ways of providing legal access to occupied and unoccupied Crown land for outfitting purposes.

Regulations that allow game farming on certain Crown lands were implemented.

SAF initiated a process that will ultimately fully incorporate GIS into Lands Branch. The process of digitizing Crown land data has begun using internal resources and over a number of years we expect to be able to depict all of the land we administer through GIS. This will eventually serve as the foundation for client inquiries and thereby significantly improve client service.

SAF successfully negotiated sale of several native prairie parcels of Crown land subject to a Conservation Easement. This initiative provided valuable experience in determining the use of a Conservation Easement for future sales.

SAF amended regulations that allow the department to mitigate the charges on long oil and gas roadways that had become an irritant to the industry.

Lease of Crown Land

Each year Lands Branch advertises vacant Crown lands for lease. In 1999-2000, 376 parcels containing 50,874 acres were advertised and subsequently allocated.

In 1999-2000, 230 leases expired covering a total of 106,937 acres. The majority of these leases were renewed to the existing lessee.

Lessees of Crown land are allowed to assign their leases under certain conditions.

- In 1999-2000, there were 129 family assignments covering 124,421 acres of Crown lease (the average transfer was 965 acres).
- In 1999-2000, there were 101 assignments of Crown lease between vendors and purchasers representing 67,054 acres of Crown lease. The average non-family assignment was 664 acres.

Sale of Crown Land

Each year, Lands Branch conducts a tender sale of vacant land that is surplus to our needs. In 1999-2000, 67 parcels covering 9,443 acres were sold by tender. This generated \$2,086,047 in revenue.

Treaty Land Entitlement (TLE)

Lands Branch continues to provide First Nations with a Treaty Land Entitlement (TLE) with opportunities to obtain Crown land, where third party interests are settled. In 1999-2000, a total of 6,721 acres were sold, generating revenue of \$907,658. This brings the aggregate total of Crown land obtained for TLE purposes to 89,082 acres.

Saskatchewan Pasture Program

The Saskatchewan Pasture Program is operated under the Conservation and Development Revolving Fund, which allows the Pastures Program to operate in a more business-like fashion allowing for revenue from the Pasture Program to cover the expenses of the program.

The program manages 54 provincial cattle pastures and one sheep pasture, comprised of 797,760 acres of land. In

INDUSTRY SNAPSHOT

Saskatchewan's greenhouse industry in 1999 had over 1.55 million square feet under glass and plastic, with \$11.25 million in sales.

1999, 2,500 individual livestock producers had 67,951 adult cattle, 52,778 calves, 1,360 ewes, with 792 lambs and 480 horses and colts grazing during the summer. In addition, wintering programs handled 830 bulls for the whole season, 200 replacement heifers from November until April and 1,400 cows from November until just before calving time.

The stocking rates were somewhat reduced in 1999 from normal levels. In many pastures, particularly in the South and West, there was extreme dryness and heavy grazing pressure on the land in 1998. Fortunately, most pastures received excellent rainfall to restore pastures to an excellent condition, good enough to finish and in many cases extend the season, while still leaving good reserves for 2000. Calves came off pasture in better condition than most years as grass quality was higher than most years.

In an effort to improve and complement reclamation programs, products and services, the Saskatchewan Pastures Program continues to put special focus on undertaking significant forage improvement and rejuvenation projects. The program in 1999 invested about \$700,000 in forage improvement projects aimed at increasing the long-term carrying capacity of the pastures. The program focused on forage rejuvenation projects, which meet both environmental sustainability and financial goals.

The sixth year of the revolving fund ended on March 31, 2000. The revolving fund allows for greater flexibility in pasture operations and client service. Total revenue was \$5.5 million (unaudited). This is similar to 1998-1999 revenue of \$5.4 million. The fund's net accumulated deficit is \$797,000, up from \$359,000 last year. In the summer of 1999, stocking rates decreased by over 2,000 head, due primarily to the 1998-1999 dry conditions, resulting in the shortfall in revenues by about \$200,000.

Capital purchases of equipment were \$449,000. The fund's equity in equipment, vehicles and facilities is approximately \$2.3 million.

Approximately 1,887 acres were broken in 1999. There were 5,320 acres of previously broken land worked again in preparation for 2000 seeding; 3,230 acres disked and seeded in 1999. About 1,300 acres were burned and 2,270 acres sprayed with chemicals.

INDUSTRY SNAPSHOT

In 1999, Saskatchewan produced a record 2,040 tonnes of wild rice with sales of over \$3.37 million, also the highest ever.

SAF custom-wintered approximately 830 bulls owned by pasture breeding co-operatives, patrons and private producers. This has been a very positive development as owners see values in decreasing incidence of disease and decreased injuries to bulls. The projects to custom-winter 1,400 cows at McDonald Creek, Grainland, Nokomis, Hatherleigh, Old Wives, Makwa and Pipestone Pastures (November 1, 1999, to February 28, 2000) went very well. Not only does this provide a service to the client, it also utilizes the employee(s), hay produced at pastures and facilities at the pasture during the slow winter season.

Old Wives Pasture's completed facilities handled 200 calves for a heifer replacement operation. The heifers were approximately 540 lb. on entry in October and gained over 1 1/2 lb. per day. The project went very well and the heifers will be enrolled in a breeding program at Mortlach Pasture.

Grazing and Pasture Technology Program (GAPT)

SAF provides three of the five agrologists to the GAPT program, which is jointly led by SAF and the Saskatchewan Stock Growers Association. Some program highlights include:

- In 1999-2000, the program provided technical assistance to 2,202 individual producers, including 254 on-farm consultations.
- Organized, sponsored and/or resourced 109 events attended by 4,066 participants.
- Displays were set up and manned at several major fairs, events and exhibitions with more than 1,400 visitors.
- Produced and distributed three issues of the Grazing Gazette with a mailing list of 9,000 people, mostly producers.
- Fifty articles were prepared for regional and local newspapers and newsletters. Topics ranged from grazing management to seeding perennial forages.
- Eight major extension publications were completed.

Goal 5

A regulating environment that enables growth through high quality products, food safety, environmental protection and market access.

The conduct of all economic activity requires a set of rules that protects the interests not only of those directly involved in the activity, but those people who use the product and also those potentially affected by the activity. Without these rules, the economic activity itself would simply not be sustainable. SAF seeks to find simple and effective rules, and ones that manage impacts and maintain market access, for the purpose of generating growth and diversity in agri-food industries.

Food Safety and Quality Assurance

SAF has increased its involvement in the area of food safety and quality assurance. Ensuring consumers have access to the highest quality product available while also ensuring that businesses can compete in an environment where food safety issues are of growing concern is a priority for the department.

SAF participates as a voting member of the Canadian General Standards Board Committee on Voluntary Labeling of Foods Obtained or Not Obtained Through Genetic Modification. Work on ensuring a science-based approach to decision making in this industry remains a priority for the department.

SAF continues to play a role in the voluntary on-farm food safety programs that industry is developing across Canada. The following groups are in varying stages of developing programs: broiler hatching and broiler chicken, hatchery and commercial eggs, turkey, horticulture crops, mushroom growers, Canadian Feed Industry Association, pork, beef, dairy sheep, bison. In the early discussion stages are the grains and oilseeds sector, alfalfa, sprouts, goats, rabbits, red deer, and elk.

SAF, the Canadian Food Inspection Agency, Saskatchewan Health and the Health Districts in Saskatchewan signed a Memorandum of Understanding (MOU). This MOU commits all of the parties to examine the food inspection system in Saskatchewan with the aim of avoiding duplication and gaps in the inspection of food products from primary production through to the consumer and identifying lead roles and/or joint inspection strategies for the various partners involved.

SAF is a participant in a number of federal-provincial teams working together to improve the regulatory environment for food production in Canada. Areas of specific focus include meat, dairy, horticulture and on-farm production.

Domestic Meat Inspection

A voluntary meat inspection program is available under *The Disease of Animals Act* for slaughter plants who want to sell product into markets requiring inspected meat or products from inspected carcasses.

A Construction Standards Committee, composed of industry, inspection and regulatory representation, established construction standards for domestic plants that will help ensure meat and meat products from inspected plants are safe for human consumption.

Disease Surveillance Unit

The Disease Surveillance Unit was established in March 1998 to provide disease surveillance information for the province. The unit employs a veterinarian and a clerical assistant. In 1999-2000, the Disease Surveillance Unit began its first full year as a unit. Some of the activities of the unit during the year included:

- The development of import protocols for game-farmed animals entering Saskatchewan.
- Completed changes to *The Animal Protection Act, 1999* and began drafting new *Animal Protection Regulations*.
- Participation on a number of committees, including the Saskatchewan Veterinary Medical Association (SVMA) Council, SVMA Animal Welfare Committee, Canadian Animal Health Consultation Committee, Toxicology Research Centre Board, Saskatchewan Advisory Council on Animal Health and Humane Care, SSPCA Investigative Services Committee.
- Provided input on veterinary and animal welfare related issues.
- Filled leadership role in SAF Antimicrobial Resistance Working Group.
- Participation in Risk Assessment Committee to evaluate disease issues associated with importing animals into the province.
- Participation in the Canadian Animal Health Network Provincial Core Group.
- Membership on the Foreign Animal Disease Steering Committee.

Dairy Laboratory

The Dairy Laboratory analyzes raw and processed milk samples for composition and quality. Composition results are used by the Saskatchewan Milk Control Board and dairy processors to purchase milk from producers and quality results are used to monitor regulatory compliance under *The Animal Products Act* and *The Public Health Act*. The Milk Control Board was invoiced \$2.00 per sample for 20,870 milk samples received between

INDUSTRY SNAPSHOT

Saskatchewan has over 128 specialty crop processing facilities which generate approximately 1,086 jobs, 690 of which are year-round full-time.

January 1 and December 31, 1999. Some of the activities of the Dairy Laboratory during 1999-00, included:

- Developed in conjunction with Administrative Services a Dairy Lab website allowing producers timely access to their composition and quality results.
- Co-ordinated industry feedback from Saskatchewan, Alberta and Manitoba for the second draft of the Dairy Farmers of Canada, On-Farm Quality Assurance Program.
- Revised the dairy lab database and implemented a new milk sampling protocol in response to changes in the producer payment system (multiple component pricing).
- Provided in-depth analysis of producer components and identified problems in the new producer payment system.
- Maintained Standards Council of Canada laboratory accreditation.
- Revised and updated the Laboratory Procedures Manual to comply with Standards Council of Canada requirements.
- Participated in the Canadian Laboratory Services accreditation programs for raw milk composition and quality testing.
- Developed a database and filing system for all bulk milk tank charts.
- Issued 401 Milk Producer licenses and 45 Milk Transport Operator licenses.
- Provided composition and quality testing for three dairy goat herds, one Category one goat milk processing plant and one Category two goat milk processor.

Crop Protection Lab

The new Crop Protection Laboratory space was completed in May 1999. The new facility on McDonald Street in Regina has upgraded equipment and storage facilities to better preserve samples held for testing.

The Crop Protection Laboratory diagnosed 1,159 submissions in 1999/00: weed 96, insect 42, plant disease 436, Dutch elm disease 413, herbicide resistance screening 172.

Bee Lab

The Bee Lab located in Prince Albert tested 1,700 bee samples for the presence of tracheal mites. Beekeepers

INDUSTRY SNAPSHOT

There were 94,700 female hogs (sows and gilts) on Saskatchewan farms in 1999, the highest number since 1974.

submit samples to determine if treatment is necessary for the control of this pest.

Pest Control

SAF staff undertook a number of actions regarding pest control and regulations:

- Issued 1,959 pesticide applicator licences, 535 pesticide vendor licences and 531 pesticide service licences.
- The Pesticide Investigator investigated 77 public complaints related to the improper or misuse of pesticides.

Livestock Services Revolving Fund

Within the auspices of the Livestock Services Revolving Fund, the department carries out a number of activities:

- Provided livestock inspection services at 41 auction markets, 19 feedlots, one major packing plant and six abattoirs, and provided inspection services for rural municipalities, the Saskatchewan Society for the Prevention of Cruelty to Animals, the Saskatchewan Highway Traffic Board and the Royal Canadian Mounted Police.
- Inspected 1,449,840 animals on 145,116 manifests. Entered this data into the Livestock Information Management System, along with 87,641 animals on 5,308 manifests that went to Alberta.
- Provided documentation of livestock movement on 54,740 permits and entered the data.
- Conducted 246 computer system searches for 640 head of missing livestock.
- Collected livestock inspection fees, cattle marketing deductions (checkoff) and penalties for marketing animals with horns.
- Issued \$110,207 in provincial cattle checkoff refunds to 429 producers.
- Renewed 3,787 four-year livestock brand registrations, issued 682 registrations for new four-year brands, registered 277 lifetime brands and transferred 254 brands. Maintained the provincial brand registry of 18,373 registered brands.
- Issued 195 Livestock Dealer licenses and verified their bonds and issued 221 Agent licenses.
- Completed voluntary agreements with 23 uninspected abattoirs that submit manifests for livestock delivered for slaughter.

Game Farm Program

The department has carried out a number of activities resulting from the Game Farm Program:

- Issued 337 export certificates to facilitate the movement of game farm animal products within Canada and to the United States.
- Maintained a database for the inventory of game farm animals and distributed 10,714 ear tags to the game farm industry. These records minimize the potential for:
 - a) the illegal harvest of Crown wildlife to stock game farms;
 - b) the spread of disease through interaction between farm-raised stock and native wildlife populations; and
 - c) the competition for habitat by escaped farm-raised stock with native wildlife populations.
- Provided regulatory support to 26 fur farms by licensing and inspecting farm facilities and ensuring proper animal welfare of farmed species.

New Game Farm Initiatives

Saskatchewan has 519 game farm operators. Responsibility for issuing import and export permits for domestic game farm animals was transferred from Saskatchewan Environment and Resource Management to Saskatchewan Agriculture and Food. The Export Certificate database was developed to prepare and track game farm animal product export certificates.

To support this initiative, four members of Livestock and Veterinary Operations Branch were appointed deputy wildlife officers. The Game Farm Permit database was developed to issue and track the permits. Twelve import permits were issued to bring 174 game farm animals into Saskatchewan and six export permits were issued for 22 animals.

An agreement was signed with the Saskatchewan Elk Breeders Association Inc. to allow them to issue government approved identification tags for elk.

Revised regulations, called *The Domestic Game Farm Animal Regulations*, became effective on May 19, 1999. These regulations reduced the cost of the game farm operator's licence from \$100 a year to \$150 for five years.

Agricultural Operations

Standard operations and accomplishments of the Agricultural Operations Branch included:

- Issued approvals for 69 ILOs, representing \$79 million dollars of capital value. Approvals included

Saskatchewan's first contract feeder barns for hogs, and numerous family farm scale beef operations.

- Program for monitoring of water quality at and near intensive livestock operations. Expanded to establish baselines for new operations and to determine the impacts of existing operations.
- Policy manual for intensive livestock program developed.
- Twenty-six appeals to the Allocation of Crown land and one appeal to the cancellation of a Crown land lease were heard by the Lands Appeal Board. The Board upheld 15 allocations and the cancellation, and 11 applications for Crown land lease were returned to the department for rescoring.
- Twenty-seven inquiries to the Agricultural Operations Review Board resulted in four applications for determination of normally accepted agricultural practice. Two applications resulted in a mutually agreeable solution being reached between the parties; one application was outside the subject matter of nuisance and was withdrawn by the applicant. One hearing was held and the Board ruled in favour of the agricultural operator.
- Fifteen hundred files with permits issued under Pollution (By Livestock) Control Act were reviewed and a notice of expiration was mailed to more than 1,000 permit holders resulting in 600 files being brought up to date.

Saskatchewan Pesticide Return Program

SAF worked with Saskatchewan Environment and Resource Management (SERM), PFRA, Crop Protection Institute of Canada, and agri-business to develop and deliver the *Saskatchewan Pesticide Return Program*, an initiative to collect and properly dispose of obsolete agricultural pesticides. Year one of the program involved a blitz on October 26 - 28, 1999, during which more than 20,000 kg of obsolete product were collected in the southern zone of the province. The program will continue in fall 2000 and 2001 with collections in central and northern agricultural regions.

Crop Residue Burning Pilot Project

In the fall of 1999, a Crop Residue Burning Pilot Project was implemented in the Regina area. A committee with representatives from SAF, Saskatchewan Health and SERM, along with the Regina Health District, was formed to address the health and safety concerns associated with crop residue burning.

The Extension Agrologist was involved in committee meetings to design the pilot program, organized and chaired stakeholder group meetings, responded to media requests for interviews, handled calls from individuals

INDUSTRY SNAPSHOT

Saskatchewan had 25 per cent of the Canadian beef cow herd in 1999.

concerned about the program and those concerned with the effects of crop residue burning, assisted in producing an informational brochure outlining burning concerns and pilot program information, distributed 3,500 information packages to rural residents in the pilot area, and made presentations at RM meetings and commodity group meetings regarding the program. Efforts continue in refining the program and expanding it for the fall of 2000.

1999-2000 Legislation

The Agricultural Equipment Dealerships Act ensures that mainline equipment manufacturers do not disadvantage Saskatchewan equipment dealers if they choose to carry shortline equipment. This Act prohibits mainline manufacturers from terminating an agreement with dealers without just cause regardless of terms that may exist in any contract. The Act also requires the mainline manufacturers who carry shortline equipment to deal in a non-discriminatory manner.

This Act came into force on assent but was retroactive and is deemed to have been in force on and from December 13, 1999.

The Prairie Agricultural Machinery Institute Act was first passed in 1974 to allow for the creation of the Prairie Agricultural Machinery Institute (PAMI) that opened in April 1975.

The Act has been rewritten to clarify the terms of PAMI's operations so that PAMI is able to work outside the parameters of the primary agricultural industry. The Act allows PAMI to conduct activities involving mechanization, electronic instrumentation and related research and development in the value-added agriculture and food industry.

The Act broadens the scope of PAMI to include copyright, trademark and industrial design concerns. The amendments allow PAMI to borrow funds or to establish a line-of-credit to meet cash flow demands.

The amendments allow PAMI to build on its technical capabilities, to create additional financial stability for the organization and to access technologies from other industries.

The Prairie Agricultural Machinery Institute Act, 1999 came into effect on Royal Assent on April 21, 1999.

INDUSTRY SNAPSHOT

In 1999, SAF approved over \$52 million in permits for construction of ILOs such as hog barns or feedlots (compared with an average of \$10.65 million for the 1988-92 period).

The Animal Protection Act was substantially rewritten. The Act was established in 1972 to protect animals in Saskatchewan. At the time, the Act empowered Peace Officers to deal with and remove distressed animals from premises where animals were being mistreated.

The rewritten Act better defines the definition of animal distress or neglect. Peace Officers have been renamed to Animal Protection Officers to better reflect their role. The Act broadens the investigation, enforcement and penalty provisions. The Act allows an Animal Protection Officer to take mistreated animals to "Caretakers" who have the proper facilities to care for them and recognizes the role of the livestock industry in defining the conditions or "code of practice" for raising and marketing farm animals.

This Act was given Royal Assent on May 6, 1999, and will come into effect upon proclamation.

1999-2000 Regulatory Amendments

The Cattle Breeder Associations Loan Guarantee Regulations amended *The Breeder Associations Loan Guarantee Regulations, 1991*, to clarify the definition of breeder associations. The amendments include housekeeping changes to include leased cattle under the definition of custom feeders; to include Saskatchewan residents who don't have a Saskatchewan Health Card; and to allow refunds of assurance funds where agreements have been paid out.

The Cattle Feeder Associations Loan Guarantee Regulations amended *The Feeder Associations Loan Guarantee Regulations, 1989*, to clarify the definition of feeder associations. The amendments include housekeeping changes and include clarification of the maximum amount of the loan that will be guaranteed; provision for prorating between different feeder and breeder agreements and to provide for offset of costs related to that feeder member from the refund of the assurance funds.

The Cattle Breeder Associations Loan Guarantee Amendment Regulations, 2000, enable producers to form production associations to expand their breeding herds. Associations are made up of individuals who benefit from access to financing at attractive interest rates as a result of membership and government guarantees to the lender.

The amendments to the regulations provide an increase to the loan limits and facilitate default recoveries from associations. The maximum borrowing increased from \$50,000 to \$75,000 by associations on behalf of individuals. The amendments also make provision for an association to offset a member's arrears with that member's equity from one of the other guarantee programs that results in improved recovery for the association.

The Cattle Feeder Associations Loan Guarantee Amendment Regulations, 2000, provide for an increase of the maximum borrowing amounts per member from \$50,000 to \$70,000 after one year of activity and from \$100,000 to \$110,000 after three years activity as requested by the industry. The program now also includes feeding cows for the slaughter market.

The Sheep Breeder Associations Loan Guarantee Regulations permit the establishment of Sheep Breeder Associations under the Livestock Loan Guarantee Program as specified under *The Farm Financial Stability Act*. They provide government guarantees to loan advances made from time to time to Sheep Breeder Associations.

The Sheep Feeder Associations Loan Guarantee Regulations permit the establishment of Sheep Feeder Associations under the Livestock Loan Guarantee Program as specified under *The Farm Financial Stability Act*. They provide government guarantees to loan advances made from time to time to Sheep Feeder Associations.

The Bison Feeder Associations Loan Guarantee Regulations permit the establishment of Bison Feeder Associations under the Livestock Loan Guarantee Program to allow bison producers access to lower cost financing for herd expansion. The regulations provide a loan guarantee of 25 per cent from the Government of Saskatchewan to the lender in the event of default by any member of the association. Authority is provided to allow feeder associations to borrow up to a maximum of \$100,000 for any individual feeder and up to a total of \$4 million with respect to all feeders in the association. Feeder associations are required to deposit five per cent of the money advanced into the association's assurance fund.

In the Livestock Loan Guarantee Program, security for loans made to the association is provided first by the livestock purchased by the association, second by a pooled shared risk assurance fund and finally, by a guarantee from the government. The guarantee is limited to a maximum of 25 per cent of loans outstanding at the time of loss.

The Domestic Game Farm Animal Regulations address the needs of the expanding provincial game farm industry and enable the implementation of the Provincial Game Farm Policy, which was approved by Cabinet in May 1998.

These regulations facilitate a more effective and efficient management of an expanding industry. They will enable SAF to effectively administer and enforce the regulations while SERM retains legal responsibility for wildlife management and enforcement.

The regulations provide for the establishment and utilization of an industry development committee; extends the licensing period from one to five years; allows domestic game farming on some classes of agricultural Crown land; and permits stocking of domestic game farms only after purging of big game is completed and authorization is received from an inspector. (These regulations repeal *The Game Farming and Game Products Merchandising Regulations, 1989.*)

The Diseases of Domestic Game Farm Animals Regulations result from and are consequential to the amendments to *The Game Farming and Game Products Merchandising Regulations, 1989*. These regulations improve the enforcement capabilities for diseases of domestic game farm animals. These regulations bring the disease control for domestic game farm animals into the same regulatory framework as other livestock.

These regulations allow the Minister to prevent the introduction of unwanted diseases through the establishment of import protocols; streamlines the method of the designation of diseases; provides for the utilization of an industry consultation committee when establishing import protocols and designating diseases; simplifies producer reporting of suspected or diseased animals; expands the powers of the veterinarian/inspector; and allows for producers to receive compensation for animals ordered destroyed due to designated diseases.

The Brand Amendment Regulations, 1999, were required to include sheep under the Livestock Loan Guarantee Program. The addition of notches in the regulations allows for the identification of sheep, by including notches as a registered brand.

The amendments also clarify the difference between brand and brand design; allow the transfer of a rib brand to another location at no cost; clarify what acceptable characters can and cannot be used for cattle and horse brands; provide for the registration of brands and notches, the publication of these brands and notches and the sale of the Saskatchewan Livestock Brands Book; and provide for fees charged for a search of the records.

The Stray Animals Regulations, 1999, are a rewrite of the previous regulations resulting from regulatory review. The amendments include a description of animals covered; an update of terminology used in the industry;

INDUSTRY SNAPSHOT

There were 279 food processors in Saskatchewan in 1999, an increase of 95 per cent from 1991 when there were 143 firms. Food processors employ 7,400 people in Saskatchewan.

allow for the sale of a stray animal at an auction market outside of the municipality; livestock inspectors to be notified to increase the chances of locating the owner; provide a procedure to follow where the owner is not known; require a poundkeeper to provide veterinary care to impounded animals, if necessary; define fence requirements for species of animals covered by these regulations; and updates fees associated with impounded animals. (*The Stray Animals Regulations, 1999*, repeal *The Stray Animals Regulations SR304/77.*)

The Provincial Lands Amendment Regulations, 1999, facilitate the use of Crown lands for domestic game farms. The amendments also allow for the refund of the first year development fees and prorated rents on surface leases where no development on the Crown lands has taken place in the first year.

The Provincial Lands Amendment Regulations, 1999, (No. 2) updates the maximum taxable assessment to reflect the new assessment system for eligible bidders who wish to bid on vacant Crown land that is advertised for sale.

The Saskatchewan Canola Development Plan Amendment Regulations, 2000, allow the Saskatchewan Canola Development Commission to become a shareholder/partner/owner of other companies that will benefit the industry. The amendments also extend the commission's 60-day time limit to remit their annual financial statements up to six months by decision of the Agri-Food Council.

The Prairie Agricultural Machinery Institute Regulations, 1999, repealed and replaced *The Agricultural Machinery Institute Regulations SR198/75* to conform to *The Prairie Agricultural Machinery Institute Act, 1999*.

These regulations update the terminology; removes Alberta to reflect that province's withdrawal from the agreement; clarify use of surplus funds; and set a limit of \$1 million in outstanding loans or borrowed money at any one time.

The Crop Insurance Amendment Regulations, 1999, were required to provide greater flexibility under the crop insurance program to producers affected by abnormally wet spring seeding conditions. The special measures applied only for 1999.

INDUSTRY SNAPSHOT

Saskatchewan's processed food exports increased 90 per cent between 1993 and 1999, the highest growth rate of all provinces.

The amendments made provision for producers to select hail spot loss coverage on crops added to their contracts up to June 25, 1999; eligibility for the establishment benefit on late seeded crops was extended to June 25, 1999; producers were able to select additional early maturing crops up to June 25, 1999; yield loss coverage for late seeded crops commenced five days after the normal date; producers were able to seed early maturing crop up to five days later than the normal seeding date; and the requirement to provide written notice of contract changes was waived for these special amendments.

The Crop Insurance Amendment Regulations, 1999, (No. 2) provide regulation amendments required to deliver additional assistance to crop insurance participants affected by the abnormally wet spring seeding conditions. The program provided \$25 per acre payment for land that could not be seeded by June 25, 1999, due to excess moisture. These amendments applied only to crop insurance customers.

The Crop Insurance Amendment Regulations, 1999, (No. 3) amended *The Crop Insurance Regulations* to extend the deadline for submitting unseeded acreage claims by one month. The deadline for submitting an unseeded acreage insurance claim was extended from September 30, 1999, to October 31, 1999.

The Crop Insurance Amendment Regulations, 2000, provide the authority for improved coverage available to producers under the 2000 crop insurance program.

The variable price option was introduced in response to low market prices facing grain producers. This allows prices under the crop insurance program to increase if market prices move upwards. Industry also identified a need to extend quality coverage to chickpea producers. The enrollment deadline is extended from March 15 to March 31 to provide producers additional time to make crop insurance coverage decisions. Spot loss fire coverage has been reintroduced. All references to special measures that were put in place to deal with the spring 1999 flooding were repealed.

The Unseeded Acreage Benefit Program Regulations provided for the delivery of assistance to producers affected by the abnormally wet spring seeding conditions. The program provided a \$25 per acre payment for land that could not be seeded by June 25, 1999, due to excessive moisture.

The payment was available to both crop insurance customers and non-customers, but these regulations only authorized payments to non-customers.

The Unseeded Acreage Benefit Program Amendment Regulations, 1999, extended the deadline for submitting unseeded acreage claims by one month. The deadline for submitting an unseeded acreage insurance claim was extended from September 30, 1999, to October 31, 1999.

The Canada-Saskatchewan Adjustment Program Regulations provide SCIC with the authority to deliver the one-time payment to help Saskatchewan grain producers complete the economic adjustment to the elimination of transportation subsidies announced by the Federal and Provincial Governments in February 2000. A total of \$260 million has been allocated for payment to Saskatchewan producers.

Goal 6

Effective management of business risks, with the agri-food industry responding to market signals about what to produce.

Achievement of this goal will require a multi-levelled strategy. With susceptibility to drought, supply-demand factors, and erratic international policies affecting our markets, effective farm safety nets play a key role in SAF programs. Programs like Crop Insurance and NISA provide some security for farm families to invest in their farm business. Risk will always present a challenge for all parts of the agri-food industry. SAF will seek to support efforts by the industry to manage these risks.

Agricultural Income Disaster Assistance (AIDA) Program

Federal agriculture minister Lyle Vanclief announced the Agricultural Income Disaster Assistance Program in December of 1998 but revealed little detail about how the program would operate. Intensive negotiations occurred about the effectiveness of the program and the fairness of the 60:40 federal-provincial cost-sharing package for agriculture-based economies like Saskatchewan and Manitoba. Saskatchewan suggested many design changes to the program as details were announced though early 1999, none of which were implemented by the federal government.

Throughout the summer of 1999, as producers struggled with the AIDA application process and learned of gaps in coverage offered by the program, complaints about the program began to flow in from producers. Despite being

an intensely unpopular program amongst the majority of the farm community, it was the only source of federal support available.

The federal government did introduce changes to 1998 claim year AIDA through the summer of 1999, mostly extending deadlines, but they also backtracked and introduced coverage for negative margin amounts in the claim year at the 70 per cent level. Saskatchewan did not participate in negative margin coverage as it would only result in increased payment levels for many of the participants already qualifying for AIDA with very few additional producers being eligible for payments. Also, negative margin coverage is viewed to be a disincentive for producers to purchase crop insurance so Saskatchewan made the decision to not commit additional funding to an already flawed program and opted against negative margin coverage. The federal government still provided negative margin coverage at the reduced 60 per cent federal funding level for 70 per cent coverage – or 42 per cent coverage of negative margins.

Participation:

The AIDA Administration received claims from 28,878 Saskatchewan producers. However, only 11,508 (40 per cent) actually received an AIDA payment with the remaining 17,310 claims being either zero or ineligible for payment. (As of April 16, 2000 – 60 claims from the 1998 claim year were still being processed). Total payments to Saskatchewan producers for basic AIDA (net of negative margin claims and the 60 in-progress forms) was \$126,698,067 from both federal and provincial governments with a further \$9,168,816 being paid out by the federal government for negative margin claims. Average payments to those Saskatchewan producers eligible for payments for the 1998 claim year was \$11,508.

SAF staff conducted analysis of AIDA program alternatives through 1999 and recommended changes to policy designs on such issues as coverage for expanding farm operations, inclusion of alternative reference margin base periods and a simplified application procedure. The federal government introduced many of the changes recommended by Saskatchewan, however the application procedure is still complex.

Short-term Hog Loan Program

The Short-term Hog Loan Program was announced in December 1998, to assist hog producers in offsetting operating losses due to a severe drop in hog prices. The Program was established with innovative repayment terms based on SPI weekly pool prices, which allowed producers to provide no repayment during times of depressed prices (less than \$140/c/kg).

INDUSTRY SNAPSHOT

Saskatchewan farmers now grow more than 50 different crops - providing diversification options when market conditions (prices) warrant.

The program disbursed \$11.4 million to 221 producers between February and September of 1999 (breakdown of loans shown below).

We continue to monitor client hog sales, SPI pool prices and receive funds from clients, which are being applied to their accounts as repayment. Beginning in April 2000, all loans will be into repayment with the maximum term of repayment being 36 months, all loans are to be repaid in full by March 31, 2003.

Breakdown of Loan Amounts Disbursed:

Mature Loans	\$11.1 Million
Weanling Loans	\$ 0.3 Million
Total Loan Amount Disbursed	\$11.4 Million

Net Income Stabilization Account (NISA)

NISA is a cornerstone of the farm safety net package. NISA is designed to provide a mechanism for producers to save money during good times for lower income periods in the future. Producers can contribute up to three per cent of their annual eligible net sales and have it matched by governments. In addition, governments provide an interest rate bonus of three per cent to any money contributed by the producer to their NISA account.

Participation:

During the 1998 stabilization year, there were 57,661 Saskatchewan participants in the NISA program. The account balance of Saskatchewan producers participating in NISA at March 31, 2000, totalled over \$1.244 billion, an increase of nine per cent over the previous year. The average individual account balance is approximately \$21,500, which represents about 30 per cent of the gross sales of the average Saskatchewan farm. Participants in the program produce approximately 90 per cent of the eligible commodities produced in the province.

NISA Enhanced Contribution:

During 1998-99, SAF staff negotiated a one-time NISA enhancement with the federal government for Saskatchewan NISA participants. The enhancement is two per cent of the greater of a producer's 1998 eligible net sales or average eligible net sales from 1994 to 1998. Producers do not have to make a matching contribution to be eligible for the enhancement. The total value of the enhancement is over \$85 million and was made

INDUSTRY SNAPSHOT

The biotechnology sector in Saskatchewan now employs 1,240 workers - 496 scientists, 694 technicians and 50 in sales and manufacturing, with salaries totalling \$43 million.

available to producers during 1999-00 and resulted in the average NISA participant receiving an additional \$1,540 in government contributions to their NISA account. The NISA enhancement can be accessed through the regular NISA triggers.

Improved NISA Withdrawal Triggers:

During 1999-00, SAF staff negotiated with the federal government and the National NISA Committee to secure improved access provisions for producers to withdraw funds from their NISA accounts. Minimum income triggers were increased to \$20,000 for individuals from \$10,000 and to \$35,000 from \$20,000 for families. In addition, an expanding farmer trigger provision was announced that allows a special trigger calculation for farms that have expanded by more than 15 per cent over the previous five years. The expanding farm trigger and the improved minimum income triggers will make it easier for producers to access funds in their NISA accounts when they have to.

A SAF staff served as the provincial representative on the National NISA Committee (NNC). The NNC oversees policy issues concerning the NISA Program and makes recommendations to the NISA Administration concerning policy. The Saskatchewan representative also served on a subcommittee responsible for investigating and recommending alternatives to the current NISA point of sale guidelines.

Canada-Saskatchewan Adjustment Program

On February 24, 2000, Premier Roy Romanow and Prime Minister Jean Chretien announced financial provisions for a onetime \$260 million payment to Saskatchewan producers. The payment was to help Saskatchewan farmers complete their adjustment to the elimination of the Crow Benefit and was funded \$180 million federal and \$80 million provincial.

SCIC administered the program which bases qualification for payments on existing data from NISA. Producers who were enrolled in NISA in 1998 (roughly 90 per cent of Saskatchewan farmers) simply have to sign and return a declaration confirming the details of their automated application when it arrived in the mail. Payments were based on the greater of producers' 1998 qualifying sales or their average qualifying sales for the tax years between

1994 to 1998, inclusive. Producers who started farming in 1999 will have payments based on their 1999 qualifying sales. Qualifying annual sales will be capped at \$125,000 for individuals and up to \$625,000 for corporations, co-operatives or communal organizations. Initial payments based on six per cent of producers' qualifying sales were to be issued starting in April. A final payment to distribute the balance of the funds for the program is to be distributed in August 2000, after all applications have been received and processed.

Saskatchewan Crop Insurance

Crop insurance protection against production loss is an important cornerstone of the farm safety net package. In 1999, SCIC insured 20.4 million acres, a decrease of approximately one million acres from the previous year, due in a large part to the abnormally high spring moisture conditions. However, this was still well above the previous five-year average of 19.5 million acres.

Program Participation:

In 1999, producers seeded 33.3 million acres with 61.1 per cent being insured with SCIC. Seventy-seven per cent of all insured acres also had the Hail Option. Crop insurance also insured 349,233 forage acres.

- Approximately, 2,200 establishment claims were filed in 1999. This was a significant decrease from 3,400 claims in 1998.

Waterfowl and Big Game Damage Compensation Programs:

Waterfowl and big game damage to crops was more prevalent this year because of the late and prolonged harvest. Through these programs, farmers can receive compensation for damage to crops from deer, antelope, mule deer, elk, bear, moose, sandhill cranes, ducks and geese. Producers suffering crop losses because of big game or waterfowl benefit with:

- 85 per cent compensation;
- payments based on the grade at the time of the adjustment to reflect actual harvested quality;
- \$200 deductible per crop for all waterfowl and big game claims;
- producers do not have to be crop insurance contract holders to receive compensation; and
- there are no costs or premiums paid by the producer.

In the 1999-00 crop year, 235 big game claims were made and \$893,760 paid. There were also 1,576 waterfowl claims registered and \$4,322,903 paid.

Diversification:

The Saskatchewan Crop Insurance Program offers several features and options that allow producers to protect their crops in the way that best reflects their own management practices. The 1999 program presented several enhancements such as:

- Coriander and caraway were added to the New Crops Insurance Program. This program was directly created out of and in response to producer interest and in consultation with producer association groups.
- Winterkill coverage was offered as a separate option for fall crops. Producers had until August 25, 1999, to select winterkill insurance for crops seeded by September 25, 1999.
- An establishment payment was made for winterkill damage to crops seeded in the fall of 1998 if producers insured the crop before March 15, 1998. These crops were also insured against spring related establishment losses, yield-loss and spot-loss hail, if selected.
- Yellow, brown and oriental mustard were insured as separate crops in 1999, with different prices.

Unseeded Acreage Benefit:

This feature was added to all crop insurance contracts in 1996, ensuring that every customer would be protected from excessive spring moisture.

Continuous heavy spring rain during 1999, caused flooding throughout the southeastern parts of the province and an estimated one million acres went unseeded. While crop insurance customers were protected, the federal and provincial agricultural ministers realized that more assistance was necessary and that producers without insurance would need to receive payments as well.

In July, the ministers announced funding for flood stricken farmers providing up to \$50 per acre to crop insurance customers and \$25 for non-customers. Producers who were not currently enrolled in crop insurance could make a special application to receive a payment. In addition, the province reduced the deductible on coverage from 10 per cent to five per cent. It was also agreed that a \$50 per acre benefit with the five per cent deductible would be introduced into the basic crop insurance program starting in the year 2000. In 1999, the number of supplementary unseeded acreage benefit claims totalled 10,129 and \$24,642,610 was paid out.

Reinsurance for the Crop Insurance Program:

In 1999-00, SCIC began investigating the possibility of private reinsurance. Reinsurance for the crop insurance

INDUSTRY SNAPSHOT

In 1999, Saskatchewan's cattle herd was 2,719,000 animals, a 14 per cent increase from 1992 levels.

program is currently provided by the federal and provincial governments under the provisions of the *Canada-Saskatchewan Crop Insurance Agreement*. The funds are only accessible after the current year's entire premium and any balance in the Crop Insurance Fund (CIF) has been used. The provincial reinsurance fund is responsible for losses beyond this point up to 25 per cent of the current year's liability. Further losses are allocated 75 per cent to the federal reinsurance fund and 25 per cent to the provincial fund; however, this agreement is only in place until the end of the 2001-2002 insurance year.

The New Crops Insurance Program (NCIP) is not part of the federal-provincial reinsurance program. Instead, a New Crops Insurance Account (NCIA) has been established as part of the Saskatchewan Agricultural Stabilization Fund, providing a backstop for losses in excess of premium under the NCIP. This account was established with initial contributions of \$15 million from the federal government and \$10 million from the provincial government. The current balance of the account is \$27.2-million.

Entering into a reinsurance arrangement for the NCIP in 2000 would allow SCIC to develop a relationship with reinsurance firms that could prove useful if the corporation moved to private reinsurance for the CIF in the future. Some of the other potential advantages to private reinsurance for SCIC are:

- Currently, the CIF balance of \$254 million must be exhausted before the reinsurance funds can be accessed, if the balance were protected, the province could consider alternative investment strategies for the money.
- The firms in this market operate in many countries and in various sectors of the economy, which means losses in one area are likely to be offset against the company's entire book of business. Under the existing reinsurance arrangement, all losses ultimately have to be repaid through future premium costs.
- Protection of the balance in the NCIP account, ensuring the program could continue into the future, demonstrates the province's commitment to the program and the agriculture industry.

Toll-Free Lines:

SCIC uses toll-free lines, allowing customers to do business directly from their homes. With this service, claims can be registered, seeded acreage information

INDUSTRY SNAPSHOT

Canola acreage increased 65 per cent between 1994 and 1999, 4.6 million acres to 6.2 million acres.

filled out and production declarations can be submitted. Each customer service office has its own number; as well there is a separate line for the head office. From April 1, 1999 to March 31, 2000 a total of 90,516 toll-free calls were received.

Global Positioning Systems (GPS):

GPS provides the corporation with a fast and accurate way of measuring acres. Measuring fields with GPS benefits both the corporation and the producer. A more exact measurement and claim calculation can result in stable premiums, and assist in the accurate calculation of seed, fertilizer and chemical needs.

Over 320,000 acres were measured using GPS in 1999-2000.

By June of 1999, a total of 13 Geographical Information Systems (GIS) workstations were set up in offices around the province to improve program analysis, claims management and resource management.

GIS is a computer application capable of assembling, storing and displaying geographically referenced information. Working with SaskGeomatics, Saskatchewan Research Council, Prairie Farm Rehabilitation Administration (PFRA), Environment Canada and SERM satellite imagery applications were developed for verifying land use and for identifying significant acreage discrepancies.

Goal 7

Identification of new business opportunities in the agri-food industry.

This goal is a critical one in an agriculture and food economy where opportunities continue to multiply. SAF will play a substantial role in working with industry not only to identify the opportunity, but also to assess and determine industry feasibility and develop appropriate strategies.

Food Industry Development Centre

SAF has five staff co-located at the Food Industry Development Centre in Saskatoon (Food Centre). Our partnership with the Saskatchewan Food Processors Association, University of Saskatchewan and the Food Centre staff provides industry with access to information and assistance while making only one stop. Some of the initiatives SAF has undertaken in 1999-2000 to assist industry in advancing their businesses include:

- Workshops and Seminars on Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practices, Food Safety, Co-Packing, Food Safety and Crisis Communication.
- Continued to market to industry a training course called *FOODSTEPS Reduce your Risk-Processing Food Safely*. This course has been recognized by Saskatchewan Health for use by food processing facilities in the province.
- SAF undertook six product development projects with Saskatchewan food processing clients.
- SAF conducted 45 on-site visits to food processors for technical and product development support.
- SAF worked with 15 processors to assess, design or implement a HACCP plan.
- SAF led four missions to marketing and technical trade shows in Alberta and the US. 21 companies participated in these business development opportunities.

Agri-Value Awareness

SAF has increased promotion of agri-value to create more awareness of the importance of this sector and the level of business activity taking place. Promoting investment attraction by emphasizing Saskatchewan's competitive advantages in the agri-value sector and by providing information to potential investors was also increased.

Profiles and statistics for a number of agri-value sectors were prepared, highlighting the level of business activity taking place. To increase awareness of the importance of these sectors, summary profiles are being incorporated into the new SAF website.

A closer partnering relationship has been established with the Canadian Consulate in Minneapolis. The goals of this relationship relate to increasing trade of food products and investment between Saskatchewan and the Minnesota region. About 3.5 per cent (\$250 million) of Saskatchewan's agriculture and food exports go to Minnesota where they are valued as high-quality food processing ingredients. The work completed this year sets the stage for future investment attraction and business development initiatives.

Several potential investors from France, Taiwan and China were provided with extensive information on the flax fibre potential of Saskatchewan and introduced to local business proponents.

A competitive analysis tool that can be used to compare the advantages of operating a manufacturing facility in Saskatchewan over a 15-year period was developed. This tool can be helpful in better understanding Saskatchewan's competitive advantages in agri-food processing and takes a global approach at looking at costs more objectively. This model has the ability to provide stronger rationale for prioritizing processing projects. Information generated by this model has been provided to private sector companies interested in establishing processing operations in Saskatchewan. The model compares Saskatchewan to Manitoba, Alberta and six US jurisdictions.

Market Intelligence

SAF endeavours to provide timely market research, information, and intelligence that is of unique value to the Saskatchewan agri-value industry. Over the past year, some of the requests that have been responded to include: organic foods, garlic, wild rice, potatoes, wine, lentils, chick peas, feed peas, corn, canola oil, mustard, alfalfa, flax straw, elk, bison meat, saskatoons, and snack food.

- A marketing survey was developed for the herb and spice sector to estimate the relative importance of various crops and identify specific marketing needs. The results are being used for strategic planning and market development within the industry association.
- SAF coordinated a survey of food processors to understand the current e-commerce abilities and future expectations of the Saskatchewan food industry. A study outlining some strategic options for the Saskatchewan food industry was subsequently commissioned and completed. This work will be used to assist the food industry to remain competitive with rapidly evolving technology.
- Market intelligence work that will allow SAF to better understand the market potential for bast fibres (long fibres obtained from the stems of crops like flax, hemp and jute) has been completed and will be

INDUSTRY SNAPSHOT

Saskatchewan's bison herd grew to 20,000 head in 1999, an increase of more than 40 per cent from 1998.

used to assist industry proponents and investors in making sound decisions about investing in Saskatchewan.

- SAF, in co-operation with SERM, conducted a research project entitled "Biophysical Evaluation and Environmental Carrying Capacity of Lake Diefenbaker for Aquaculture Development". This study provides information to industry on the development opportunities that this lake could offer.
- SAF commissioned a study on the Saskatchewan Feed Industry that details its size, complexity and trends that are emerging in this industry.
- SAF completed a Pasta Plant Location Analysis. One of the significant findings of the study was that bimodal rates to eastern Canada are sufficiently attractive to warrant consideration of this type of value-added processing in Saskatchewan.

Targeting International Markets

Twelve international target markets were identified by SAF. A background analysis paper was completed providing rationale for these markets. SAF will focus its efforts and partnerships on markets in the US (Upper Mid-West), EU (U.K., Germany, Belgium, France, Italy, and the Netherlands), Japan, China, Mexico, Chile, Taiwan, South Korea, Brazil, Panama, Ukraine and Iran. Emphasis is placed on participating in activities that leverage partnership resources and contribute to the development of the agri-value sectors in addition to the agriculture sector.

Over the past year, SAF welcomed 36 incoming delegations from 21 different countries. Saskatchewan business is invited to meet with incoming delegations to maximize exposure to potential markets, investment, partnerships and alliances.

SAF participated in the organization of 15 outgoing missions, nearly all of which included Saskatchewan agri-business participants. SAF partners very closely with Saskatchewan Trade and Export Partnership (STEP) in assisting companies to reach their export targets and potential.

In the past year, SAF renewed its commitment to Trade Team Saskatchewan until 2005. This partnership of federal and provincial members works jointly to promote the benefit of trade to Saskatchewan business and provide a seamless set of export services. A brochure promoting Trade Team Saskatchewan was produced and is being used

INDUSTRY SNAPSHOT

Between 1994 and 1999, dry pea acreage increased 140 per cent from 1.1 million acres to 1.5 million acres.

to encourage more Saskatchewan businesses to use partner services.

SAF has increased its participation on the priority market teams agreed upon by the federal and all provincial governments. Participation on these teams provides Saskatchewan increased access to export initiatives that primarily utilize federal resources. For example, the results of this participation ensured that the Minister of Agriculture from Brazil met with Saskatchewan ag-biotech companies. It also ensured that food market specialists from Japan travelled to Saskatchewan to meet companies. Saskatchewan has also been able to influence the production of federal market reports that will better meet the needs of our agriculture and food industry.

Minister Chen Yaobang spent June 20 in Saskatoon touring ag-biotech facilities. This is the first time that a Chinese Minister of Agriculture has travelled to Canada. The delegation of eight was very impressed by the ag-biotech companies they toured. This incoming mission contributes significantly to Saskatchewan's profile in China as a leading efficient producer of safe, high quality agricultural products.

SAF worked closely with Agriculture and Agri-Food Canada to organize a Market Development Seminar for five agriculture trade officers from the Canadian Embassy, Consulate Generals, and Trade Office in China, Hong Kong and Taiwan. Approximately 40 individuals participated in the morning marketing seminar. The afternoon was a program comprised of twenty (20) one-on-one meetings between Saskatchewan companies and individual Trade Commissioners.

SAF provided market development and research support to Pulse Canada through participation in a market intelligence mission to China to determine potential opportunities for Canadian feed peas. The delegation met with import/export companies, feed companies, feed associations, livestock companies and Chinese government officials in Beijing, Shanghai, Hangzhou and Guangzhou.

SAF organized and displayed samples of ten Saskatchewan food products at the International Business Centre during Agribition. This resulted in some companies receiving direct interest from international companies attending Agribition.

SAF assisted a Saskatchewan company in providing samples of flax fibre to a Taiwanese private sector processor to test in its equipment. As a result, the company plans a return trip to Saskatchewan to further discuss potential partnerships and investment.

SAF travelled to China with a private sector company to view flax-processing facilities and discuss potential partnerships for producing a flax fibre suitable for use in the Chinese industry. Consequently, some testing equipment was obtained for research use in the Saskatchewan industry and an incoming delegation travelled to Saskatchewan in September.

Ukraine Beef and Forage Development Project

The first year of the Canada-Ukraine Beef and Forage Development project was successfully completed. This is a four-year CIDA-funded project in partnership with Manitoba Agriculture and Food, and Saskatchewan Trade and Export Partnership. Saskatchewan specialists prepared and delivered training modules and Saskatchewan seed and genetics companies demonstrated products creating valuable exposure and developing business relationships.

International Grains Council

SAF staff continued to be involved in the organization of the International Grains Council annual conference, to be held in Regina in June 2000. This prestigious event will feature many high-level international speakers and attract senior grains industry officials from all over the world. This is the first time the International Grains Council, which is headquartered in London, has held its annual conference in Canada.

Arabian Horse Show

Developed and initiated the Royal Red Host Committee's implementation strategy to garner renewal of the Canadian National Arabian and Half-Arabian Horse Show at Regina Exhibition Park for the years 2002 to 2006.

Fibre Agri-Value

Extension staff are working with community groups holding meetings and tours investigating the potential for strawboard manufacturing and opportunities in the fibre industry. North staff helped organize the Parkland Agroforestry Producers who are looking at aspen wood markets. Staff participated in organizing the Forestry Expo in Prince Albert, the Adding Value to Wood Conference in Saskatoon, and held a meeting on hemp. Staff throughout the province conducted a straw sampling project.

A Business Climate for Development

SAF strives to work with industry to provide a business climate that is conducive to the development of the agri-food industry in the province. Over the past year several initiatives have been undertaken to forward the concerns of industry proponents.

SAF worked closely with industry and government to review the business environment for the development of a wine industry in Saskatchewan.

SAF participated in a Federal/Provincial Working Group to develop a "Discussion Paper" on dairy analogues. The "Paper" has been presented to the Provincial Ministers of Health and Agriculture and Food for review. This initiative will impact the availability of imitation dairy products in this country.

SAF is a key participant in an industry/government working group which is looking at the key issues that need to be addressed in order that a thriving Nutraceutical Industry develop in Saskatchewan.

The Milk Control Board implemented multiple component pricing and converted quotas to a butterfat basis over the year. SAF worked with producers and MCB to ensure that all perspectives were considered.

Goal 8

Provincial, national and international policies that promote growth, diversification and adding value to the Saskatchewan agri-food industry.

Much of the success of Saskatchewan farm businesses and food industries depends in a major way upon policies beyond Saskatchewan borders. Many are national policies and many are international policies. For an industry so reliant upon export markets, it will be imperative for SAF to pursue the interests of Saskatchewan agri-food industry in decision making processes concerning these policies, whether the topic is market access, export subsidies, sanitary and phytosanitary (food safety and quality) measures, or transportation policy.

The US Antidumping and Countervail Duty Investigation Regarding Canadian Cattle Exports to the US

In 1998, the US Ranchers-Cattlemen Action Legal Foundation (R-CALF) filed a petition for antidumping duties for live cattle imports against Canada and Mexico and a countervail duty (CD) order against Canada. Officials from SAF, Saskatchewan Intergovernmental and Aboriginal Affairs and Saskatchewan Justice worked

INDUSTRY SNAPSHOT

Rural-based companies account for 56 per cent of the total number of Saskatchewan food processors. over two-thirds (69 per cent) are located outside of Saskatoon and Regina.

together to develop information needed for the defense of the CD investigation. The three departments also hired legal services from Washington, D.C., for assistance in developing the information. The subsequent US investigation found no evidence of subsidies or dumping under US trade law.

The Canada-US Accord Working Group (Provinces States Advisory Group)

At the 1999 Canada-US-Mexico Agricultural Accord, it was agreed to establish a Canada-US Accord Working Group to deal with specific bilateral trade concerns at the provincial-state level and to develop suggested solutions for federal level issues. All Canadian provinces are represented at the Ministerial level. In addition, the Accord-Working Group will also function as the Provinces-States Advisory Group (PSAG) to the Canada-US Consultative Committee on Agriculture (CCA). The CCA, formed in 1998, is a committee of high level federal officials that seeks to develop solutions to trade irritants before they develop into trade disputes. The PSAG advises the CCA of provincial-state concerns and also suggests possible solutions. On March 2nd the group met in Washington D.C. and developed a workplan that included 15 action items. The progress on the action items will be reported at the 2000 Accord meeting being held in Saskatoon.

The Canada-US-Mexico Agricultural Accord

The States/Provinces Agricultural Accord was established in 1986 to address issues of mutual interest and irritants in an informal setting. Following the establishment of NAFTA, Mexico was asked to join in 1992. The Accord is a consultative body made up of Canadian Ministers of Agriculture, The Board of Directors of the US National Association of State Departments of Agriculture (NASDA), and the Board of Directors of the Association of Mexican State Departments of Agriculture (AMSDA). In 1999, the Accord was held in Salt Lake City, Utah. This year's Accord is being hosted by SAF in Saskatoon.

The Federal-Provincial Agricultural Trade Policy Committee (FPATPC)

The FPATPC was established in 1984. The committee is led by federal and provincial co-chairs and is comprised of senior trade officials from each province, Agriculture and Agri-Food Canada, the Department of Foreign Affairs

INDUSTRY SNAPSHOT

Saskatoon berry acreage increased 117 per cent from 240 acres to 520 acres from 1994 to 1999.

and International Trade, and the Canadian Food Inspection Agency. A summary of the key activities of the committee follows:

- A recommended negotiating approach to revise the scope and coverage of chapter nine of the Agreement on Internal Trade, which relates to agriculture and food goods, was developed. The recommendation still needs the approval of the Ministers of Agriculture before work on revising the chapter can proceed.
- The committee organized a national federal/provincial/industry conference in April of 1999 to solicit industry views for the development of Canada's WTO negotiating position.
- The committee provided the means for the province to input on Canada's WTO position as well as on trade initiatives dealt with through such bodies as the Canada-US Consultative Committee on Agriculture and the Free Trade of the Americas Agreement negotiating group on agriculture.
- The committee is also the instrument for keeping advised on and inputting into the resolution of various Canada-US trade irritants including meat labelling, countervail and antidumping action, the European Union ban on beef treated with hormones, the WTO Dairy panel decision, China's accession to the WTO, the development of the international biosafety protocol, and other trade concerns.

Agricultural Trade Barrier Strategy Analysis

A study commissioned by SAF quantified the trade barriers in strategic markets for major Saskatchewan agricultural exports. The overall goal of the project was to determine which markets Saskatchewan wants to have further opened through the WTO negotiations on agriculture. The study has been presented to federal officials and has proven useful in developing Saskatchewan's objectives for the WTO negotiations and in pushing the federal government on specific priorities when the negotiations focus on specifics.

Canada-US Agricultural Trade, (Trade Facts Pamphlet)

A pamphlet published in January of 2000, outlined several misconceptions held by US producers regarding Canada-US agricultural trade. The pamphlet is intended to dispel misperceptions and was jointly produced by

SAF, Manitoba Agriculture and Food, and Alberta Agriculture, Food and Rural Development.

Research Project on Anti-Dumping Rules

In December of 1999, SAF commissioned a study relating to antidumping laws. The study will seek solutions to problems with current WTO AD legislation, specifically the ability of countries such as the US (and Canada) to use normal price cycles as the basis for imposing AD duties. The study will outline possible changes to current WTO rules that would make it more difficult to impose AD duties based on normal price cycles and still allow for protection from predatory practices of foreign firms.

The Northern Plains Producer Conference

A producer conference organized in cooperation with the agriculture departments of Manitoba, North Dakota, South Dakota and Minnesota. The conference was held in Fargo, North Dakota. Manitoba will host next year's meeting. The conference was intended to help dispel misconceptions, identify cross border opportunities and identify trade concerns. A final report outlining the issues and opportunities identified was developed. Further follow-up is being done through the Canada-US Accord Working Group.

Agriculture Ministers' Conference

The province hosted the 1999 Federal-Provincial Agricultural Ministers conference in Prince Albert. A number of issues that were discussed included safety nets and disaster programs, the next round of WTO negotiations, biotechnology, agri-food awareness, longer term food trends, and updates on global warming, trade targets and Y2K issues.

Saskatchewan Farm Forum

The Minister of Agriculture and Food initiated the Saskatchewan Farm Forum to bring industry leaders together to develop ideas and a mission statement for the direction of the agricultural industry, which could be incorporated into the provincial budget planning process. Representatives from approximately 50 organizations participated in the discussions on December 15-16 in Regina. The results of the discussion will be incorporated into the Provincial Action Committee on the Rural Economy which was announced in the Throne Speech on December 16, 1999.

Transportation

SAF staff worked closely with officials from Highways and Transportation, other western provinces, the CWB

and farm groups during the Kroeger process. The Kroeger process was initiated in May 1999 to implement the recommendations from the Estey grain review. The process ran until September 1999 involving farm groups, grain companies, railways, western provincial governments, the CWB and the federal government. No consensus was reached during the process, and Arthur Kroeger released his own report in October 1999.

Grain Regulation

SAF staff took an active role in the discussion around the Canadian Grain Commission's (CGC) proposals for Program and Governance renewal, including an article in AgriView. In March 2000 the federal government announced a major cash infusion for the CGC that will allow the regulatory agency to focus on its public policy objectives.

Increasing Chicken Production

On December 31, 1999, the Agri-Food Council signed a MOU with the Chicken Farmers of Saskatchewan to establish a new policy guideline for allocation of chicken quota in Saskatchewan. The MOU sets two significant improvements in the way chicken quota will be allocated in the future. First, all new quota will be subject to an Industry Development checkoff that will be used for direct investment into expanding the Saskatchewan chicken processing sector. Secondly, allocation of future quota will move within three years to an open auction system whereby any person may take the opportunity to bid for new quota to enter the industry. The Agri-Food Council has taken greater responsibility in 1999-2000 to proactively work directly with agencies to capture opportunities for growth.

Agroforestry Development

SAF has worked with SERM and Economic and Co-operative Development to analyze the potential for harvesting and growing trees in the agricultural/forest fringe and develop a strategy to realize this potential.

INDUSTRY SNAPSHOT

In 1999, despite an average decrease in land and building value, the value of total farm capital in Saskatchewan increased by one per cent over the previous year to \$32.5 billion, mainly the result of a six per cent increase in livestock and poultry.

Goal 9

Client satisfaction through friendly and effective customer service.

SAF serves an industry that has a great impact on the provincial economy and the customer base is broad and diverse. No organization can achieve its mandate without paying close attention to its customer needs and building positive and trusting relationships with all those served. SAF employees play a key role in meeting this goal for the organization. The test of any organization is how well it serves its customers and its willingness to look for feedback to continually improve.

Department Standards on Client Service

The pilot project for client service standards that was developed for the Extension Service Branch was adapted and extended to the department as a whole.

A number of branches are in the process of tailoring the standards so that they are more applicable to their own client groups and to raise employee awareness.

Brochures and plaques were developed and distributed to all branches and Rural Services Centres. The brochures and plaques highlight SAF's commitment to achieving a high standard of excellence through friendly and effective customer service in four key areas:

- Providing courteous, helpful service
- Ensuring accurate, quality information
- Responding in a timely manner
- Respecting client confidentiality

Follow-up on Farm Client Survey

The department continued to assess the results of the November 1998 survey of Saskatchewan farmers to determine client service satisfaction levels.

Saskatchewan farmers generally view SAF staff as being helpful, professional and technically competent. More than three-quarters of the farmers surveyed indicated that SAF is very effective at imparting knowledge and a majority felt SAF does a good job at improving skill

INDUSTRY SNAPSHOT

There are 500 elk producers with 20,400 head in 1999, compared to 22 elk operations with 400 head in 1987.

levels and at saving producers time and money. Almost all SAF service areas were reported as having "met expectations." The department committed to running the Farm Client Survey every two years to ensure an adequate monitoring of our client service status.

The survey also revealed that SAF services are not always provided in a consistent manner and a number of respondents suggested SAF needs to do a better job of making farmers aware of what services are being offered. In response to these comments, SAF has undertaken a number of measures to improve our commitment to providing consistent service, the dissemination of knowledge and information relating to the services offered by the department:

- SAF's internet site at www.agr.gov.sk.ca provides a wealth of knowledge and information regarding SAF programs and policies, as well as providing links to other agricultural related sites.
- Agriview, published by the Communications Branch of SAF, is a semi-monthly supplement to the Western Producer, which provides agricultural information and news for Saskatchewan farmers and food organizations.
- The department also has a brochure listing the programs and services available. These brochures can be found at all the Rural Service Centres throughout the province.

Client Service Training

A client service module has been established as part of the Management and Employee Development Program. A variety of workshops were offered to departmental staff including: client service, interpersonal communications, leadership, and resolving conflict. These workshops are designed to enhance employees' skills in working more effectively with clients. We also provide a wide range of technical training specific to serving the agricultural industry.

Goal 10

A responsible and accountable organization with knowledge, skills, information and authority to perform with excellence.

Three ingredients should never be separated in any decision making process. These are responsibility, authority, and accountability. SAF will strive to create a working environment where all employees have clear responsibilities, have the authority to meet their responsibilities and are held accountable for their decisions. At the same time, SAF must strive to ensure that employees have the knowledge, skills, and information to carry out their responsibilities.

Staff Training

Four hundred and twenty seven employees (81 per cent) took 2,701 days of training which is an average of 5.1 training days per employee.

In addition, a large number of employees have received support enabling them to take more formal learning through either the Tuition and Book Program or the Education Leave Program.

In 1999-00, one staff member was on education leave working towards a Masters Degree in Science and 43 people had been approved for the Tuition and Book Program.

Management and Employee Development Program

The scope of the Management Development Program was expanded to include employee development, which has broadened the target audience of the program and expanded the range of learning events offered.

A variety of very well attended sessions were offered on a range of topics, including Organizational Communication, Creativity and Innovation in the Workplace, Resolving Conflict Constructively, Communication, Leadership, Performance Improvement and Corrective Discipline and Staffing Training.

Ag Awareness – First Nations

It had been identified that there was a need for trained First Nations agrologists as they have acquired more agricultural land, but historically have not been well trained in agriculture. To attempt to meet this need, a SAF project was initiated to encourage First Nations students to pursue agriculture as a career. A current student, enrolled in the College of Agriculture, was hired for the summer to work under the direction of an

Agrologist. The role of this student was to speak to First Nations' high school students and lead them on farm tours. The student spoke to 300 students in a number of schools. As an end result of this project, there are currently four students enrolled in the College of Agriculture, and the Saskatchewan Indian Federated College can offer the first year program of the College of Agriculture.

Employee Survey

SAF conducted an employee survey in the fall of 1999 with an overall response rate of 85 per cent. The purpose of the survey was to assess the culture of the department and determine if there had been improvements in the department compared to 1997 when the first survey was conducted.

The department is setting up a variety of work teams, which will be responsible for analysis of the survey results and for making recommendations to employees concerning the organizational environment.

Occupational Health and Safety

Efforts on educating and training department employees continue to ensure a safe and healthy workplace. The committee hosted the first Occupational Health and Safety Conference for the department, and ACS to raise awareness and deal with safety issues.

SAF Library Services

The library continued its committed service to SAF staff and the general public by:

- Researching and answering more than 600 reference questions from SAF staff and general public.
- Adding 535 new books, periodicals and electronic documents to the collection.
- Ordering 154 new books and periodicals.
- Loaning 535 publications to SAF staff, other libraries and the general public.
- Routing over 5,500 issues of periodicals to SAF staff.
- Distributing 420 Agriculture Development Fund reports.
- Arranging almost 400 interlibrary loans.
- Participating in a province-wide on-line database licensing project which resulted in access for SAF staff to full-text electronic journal articles.

INDUSTRY SNAPSHOT

There are 30 biotechnology companies located in Saskatchewan with 1999 sales of \$130 million, up from sales of \$22.3 million in 1994.

Goal 11

Responsible financial management and administration based upon strategic priority setting.

SAF will use its financial resources in the most responsible way possible to achieve the strategic priorities of the organization in serving the agri-food industry. This means effective planning, linked closely to the budgeting and expenditure process, with accountability for all expenditures.

Expenditures

Financial Services processes all expenditure transactions of the department. In addition to data entry and filing, this involves ensuring proper coding of invoices, appropriate authorization, and that each invoice submitted is a proper charge in delivering a program. Financial Services ensures that SAF complies with the *Financial Administration Act* and the Government's *Financial Administration Manual (FAM)* for all expenditures it incurs. Any changes to government financial policy, FAM or the Government's Revenue and Expenditure processing system are communicated to the department through the Administrative Officers Committee.

In 1999-2000, Financial Services processed 45,000 expenditure transactions totalling \$338 million while meeting the Provincial Comptroller's expenditure processing targets of timelines for payment to suppliers and error minimization.

Revenues

All department revenue transaction processing involves verification, proper coding and depositing cash receipts on a daily basis. Revenue transactions totalling \$40.4 million were processed during 1999-2000.

Business and Information Technology Services (BITS)

In February 1999, Business and Information Technology Services was created to coordinate and advance the effective use of information technology in support of SAF's programs and services. Success is obtained through efficient and effective use of resources, delivery of effective information management systems, and

INDUSTRY SNAPSHOT

In 1999, Saskatchewan Farm Cash Receipts for livestock increased by \$118 million over the previous year to \$1.4 billion.

management of the department's information technology infrastructure.

BITS implemented a new team approach to database design, which includes an in-depth analysis of user needs and systems' requirements prior to development of database structures.

Databases which have been enhanced, developed or initiated in 1999-2000 include:

- Upgrading the majority of department databases to SQL Server 7.0 from either version 4.2 or 6.5 to improve performance and enhance functionality.
- Enhanced functionality of the ADF (Agriculture Development Fund) database by upgrading the client software to Centura Team Developer 1.
- Created the Abattoirs database, which is used for recording and processing of payments to abattoirs.
- Created the Export Certificates database to automate the management of Export Certificates for Game Farm Products.
- Initiated the creation of an Intensive Livestock Operations database for Agricultural Operations. Targeted completion date is May 2000.
- Initiated the creation of a project-tracking database which is targeted for completion in 2000-2001.
- Enhanced the Mailing Labels database to allow more effective maintenance and reporting.
- Resolved functionality issues with the Pork Central client database.
- Created a Crop Protection database, which processes Crop Protection Lab submissions, eliminates inconsistencies, and allows for enhanced reporting.
- Improved the functionality of the Pesticide Applications database.
- Improved the functionality of the Inventory database for Administrative Services.
- Initiated enhancements to the AFEF project tracking database, which will be completed in 2000-2001.

Policies and Procedures Manuals Project

In 1998-99, the department began an initiative to document policy and procedure manuals for Special Purpose Funds, Revolving Funds, and specific activities of the department. This project was led by Business and Information Technology Services and supported by Financial Services, which also provided a significant amount of the information contained in the manuals.

Procedure Manuals completed as of March 31, 2000 include: Cattle Marketing Deductions Fund, Horned Cattle Fund, Beef Development Fund, Agri-Food Innovation Fund, Agri-Food Equity Fund, the Livestock Services Revolving Fund, and the Conservation and Development Revolving Fund.

E-Commerce/E-Business

In relation to using web technology as a strategic tool for information sharing, the implementation of e-commerce and workflow applications in SAF will advance our lines of business to another level, allowing for more customer-focused and efficient service delivery.

A number of pilot projects have been commenced with implementation expected during 2000-2001.

Pesticide Licensing Pilot Project

SAF, in co-operation with the Government of Saskatchewan's Information Technology Office (ITO), initiated a pilot project, which will enable the purchase of Vendor and Service pesticide licenses via the internet with credit cards.

This project is expected to be implemented in the Fall of 2000 and will provide SAF with an opportunity to learn from the process in order to implement further e-commerce initiatives within the department.

Creation of Web Sites

A database driven internet site for SAF was created to facilitate easier navigation, keep the site current and fresh, more effective, and to offer a more powerful search engine. This allows for a fresh look with new information displayed and promoted each time it is visited.

A continual evaluation process was initiated to ensure the internet site remains effective and is modified as necessary.

To assist in the provision of information and promotion of programs, the following web sites were created during 1999-2000:

- Saskatchewan Crop Insurance Corporation (SCIC) as part of the SAF Internet site.
- Food Industry Development Centre.
- CALM (Canadian Association of Land Managers).
- Livestock Inspectors discussion forum.
- Saskatchewan Greenhouse Growers.
- FIPS (Farm Input Price Survey) and Lease Rate Survey.

Geographic Information Systems

The GIS services included:

- Mapping - creating maps using data from various sources as requested by clients; developing maps for delivery using Inter/Intranet technologies.
- Data Management - acquiring, developing and maintaining spatial data sets (base maps); setting standards for mapping data; managing the distribution of the data to GIS users in the department.
- Application and System Development - creating custom GIS applications and analysis tools.
- Consulting - assisting clients to understand the benefits of GIS and develop their own GIS strategies; advising clients on how to ensure GIS compatibility in their business databases; promoting GIS uses and capabilities.
- Training and Support - providing technical advice and support to GIS users; arranging training in GIS applications.

Sample Survey Unit

SAF established the sample survey unit in Statistics Branch in order to provide survey information gathering expertise to SAF and to conduct surveys on behalf of the branches and agencies of SAF.

Agricultural Credit Corporation of Saskatchewan

The Corporation continued to focus on reducing the outstanding portfolio. Since the windup was announced in March 1996, the portfolio has been reduced from \$382 million to \$106 million at March 31, 2000. During the year, the portfolio was reduced by \$36 million. For 1999-2000, ACS had a target to resolve 700 accounts that were more than 400 days delinquent. In spite of the poor economic conditions in the industry, ACS was able to resolve 794 of these target accounts.

In addition to resolving their own accounts, ACS also does collections on behalf of Saskatchewan Crop Insurance Corporation. During 1999-2000, ACS was able to resolve 538 accounts for a total recovery of \$1.2 million.

To match the reduction in outstanding accounts, staff numbers are continuing to reduce through a combination of attrition and layoffs. At year end, staff numbers were 42 compared to 61.9 a year earlier.

During the coming year, the majority of remaining employees will be transferred into the Department of Agriculture and Food to continue the administration of the loan portfolio and assist with the administration of other financial programs within Agriculture and Food. The outstanding ACS loans are on repayment terms

INDUSTRY SNAPSHOT

Over 31 per cent of Saskatchewan farms produced non-traditional crops worth \$495 million in 1999, compared to \$181 million in 1991.

which, for the most part, mature between 2001 and 2015. This arrangement will ensure that staff will be available to collect the remaining loans.

It is estimated that approximately \$90 million will be outstanding at March 31, 2001.

Freedom of Information Requests

The department responded to 15 Freedom of Information (FOI) applications made to SAF. The department's FOI coordinator reviewed five Freedom of Information applications made to ACS and SCIC prior to the agencies responding to the applicant.

Year 2000 (Y2K) Transition

SAF implemented a Y2K Unit to conduct effective planning and testing of computers and applications to ensure Y2K compliance. Through this process, 38 non-compliant computers were replaced and numerous patches were installed on department computers during the spring and fall 1999 tours. In addition, all databases and applications were screened and where necessary, enhanced. As a result, SAF experienced no problems with the Y2K rollover.

Tunnel Server Installation

Staff moved e-mail services for SAF's stand-alone Rural Service Centres from the Sympatico Internet mail service to our Exchange server. Field staff connect to our Local Area Network via the tunnel server and experience enhanced speed and performance.

Staff also installed computers for Pasture Managers, and provided e-mail and access through the tunnel server, which enhances the speed of working on CLMS.

Internet Based Data Retrieval System

An interactive internet based data retrieval system was designed and developed to make Statistics Branch databases more accessible to SAF staff and external clients.

The system allows users to access branch databases without the requirement of special software or an understanding for how the data is structured.

INDUSTRY SNAPSHOT

Saskatchewan accounted for 40 per cent of Canadian grain production in 1999.

The system makes commonly sought after Saskatchewan agri-food data available to clients throughout the province and around the world.

Shared Service Agreements

SAF negotiated agreements with Sask Water to share network resources between the organizations where SAF is co-located and renewed shared service agreement with Economic and Co-operative Development.

Information Distribution Review

A major review on how SAF manages and shares formal and informal information resources was conducted.

A recommendation to create an Integrated Information Management System was approved by the SAF Management Group and implementation of an enhanced system to share information will be completed in 2000-2001.

Goal 12

Industry awareness of SAF's direction, goals, policies and programs.

The best product or service in the marketplace is no use to anyone, if it is not understood by its potential consumers. SAF and its products and services are no different. SAF operates in a marketplace that needs to understand this organization, and what it does, if SAF is to make an effective contribution. This is true for the broader role and policies of the department and for the program and services targeted at specific customer groups. Achieving this goal will be a key factor in fulfilling our contribution to the province's agriculture and food sector and to the economy as a whole.

Public Awareness

The Minister, Deputy Minister and staff have numerous speaking engagements and presentations at industry events to ensure the policies, programs and services of the department are highlighted and understood.

News announcements, media coverage and individual interviews are used extensively to explain new initiatives and directions.

Staff attendance at annual meetings of farm organizations and industry groups help promote the partnership role of the department, particularly in industry development.

Membership on various agencies and institutions that serve agriculture is a key tool to promote the working relationships that can maximize the department's contribution to the industry.

Publications

SAF's monthly publication *Agri-View* is distributed 11 times a year as a supplement inserted in the Western Producer which is distributed to over 50,000 Saskatchewan subscribers. *Agri-View* focuses on recent happenings and initiatives of interest to the agriculture and food industry, and outlines the government's agricultural policies and programs.

AgBits is a bi-weekly publication produced by SAF with a distribution of about 800 to MLAs, media, government departments and the public.

The *Farm and Food Report* is produced 52 times a year. Each issue is a collection of five agriculture and food related stories, which are distributed to all provincial media on a weekly basis.

The Saskatchewan Agriculture and Food Annual Report is distributed to industry organizations to highlight the official record of the department's activities. Other annual reports are prepared and tabled in Saskatchewan's Legislative Assembly (see Appendix A) before being made available to the public.

The department publishes numerous brochures and pamphlets on many different aspects of the agriculture and food industry.

Internet Publications: Both *AgBits* and the *Farm and Food Report* are available on our SAF Internet site and *Agri-View* is up next for placement.

Trade Shows

SAF's display and promotional material are exhibited at a number of trade shows including the Canadian Western Agribition, Crop Production Show, Farm Progress Show, Prairie Ventures and local fairs throughout the province.

Century Family Farm Awards

SAF processed 44 applications for the Century Family Farm Awards and verified 51 applications eligible for the award, bringing to 444 the number of awards presented since the program was introduced in 1981, to honour family farms which have been operated continuously by members of one family for one hundred years or more.

1999-2000 Financial Schedules

Financial Schedules 1999-2000

Saskatchewan Agriculture and Food Schedule of Revenue and Expenditure

	1999-2000 Estimates \$000s	1999-2000 Actuals \$000s	Variances over (under) \$000s	Notes
Revenue				
Land Revenue:				
Crown Land Sales	1,800	3,727	1,927	1
Rent and Penalty on Land Leases	21,001	22,416	1,415	2
Interest	682	572	(110)	3
Royalties on Sand and Gravel	20	23	3	
Transfers from Federal Government	12,800	12,249	(551)	4
Transfers from Other Funds	-	112	112	5
Privileges Licences and Permits	520	541	21	6
Sales, Services and Service Fees	133	127	(6)	
Other Interest Revenue	-	564	564	7
Other Revenue	6	315	309	8
Refund of Previous Year Expenditures	135	145	10	
Total Revenue	37,097	40,791	3,694	
Expenditure				
Administration	2,343	2,319	(24)	9
Accommodation and Central Services	3,021	2,999	(22)	10
Agriculture Industry Assistance				
Contributions for General Agricultural Interests	2,052	1,735	(317)	11
Farm Land Leaseback Compensation	100	51	(49)	12
Subtotal	2,152	1,786	(366)	
Land Management				
Land Management Services	3,077	3,180	103	13
Losses on Sale of Land	300	146	(154)	14
Land Revenue Bad Debt Allowance	500	466	(34)	15
Conservation and Development Revolving Fund (Community Pastures Program)				
Net Financing Requirement	-	690	690	16
Subtotal	3,877	4,482	605	

Financial Schedules 1999-2000

Saskatchewan Agriculture and Food Schedule of Revenue and Expenditure

	1999-2000 Estimates \$000s	1999-2000 Actuals \$000s	Variances over (under) \$000s	Notes
Livestock and Veterinary Operations				
Program Operations	1,811	2,439	628	17
Disease and Animal Health Services	789	863	74	18
Short-term Hog Loan Program-Loan Losses	1,600	610	(990)	19
Prairie Diagnostic Services	2,025	2,025	-	
Livestock Services Revolving Fund				
Net Financing Requirement	-	113	113	20
Subtotal	6,225	6,050	(175)	
Policy and Planning				
Policy and Program Development	1,488	1,551	63	21
Statistics	773	752	(21)	22
Communications	1,449	1,660	211	23
Business and Information Technology Services	2,219	2,303	84	24
Subtotal	5,929	6,266	337	
Agriculture Research and Technology				
Project Coordination	751	800	49	25
Research and Development	6,900	5,994	(906)	26
Strategic Research Program	4,188	4,227	39	27
Technology Adoption and Demonstration	3,500	3,327	(173)	28
AgWest Biotechnology	1,100	1,100	-	
Prairie Agricultural Machinery Institute	768	768	-	
Subtotal	17,207	16,216	(991)	
Agriculture Development				
Industry Development	1,667	1,437	(230)	29
Sustainable Production	2,385	2,427	42	30
Extension Services	6,977	7,131	154	31
Pork Central	879	753	(126)	32
Agri-Food Equity Fund-Investment Management	1,030	978	(52)	33
Agri-Food Equity Fund-Investment Financing	2,927	-	(2,927)	34
Subtotal	15,865	12,726	(3,139)	
Farm Income Stability				
Net Income Stabilization Account	44,000	62,316	18,316	35
Canada-Saskatchewan Adjustment Program	-	80,000	80,000	36
Agricultural Income Disaster Assistance Program	-	35,000	35,000	37
Subtotal	44,000	177,316	133,316	

Financial Schedules 1999-2000

Saskatchewan Agriculture and Food Schedule of Revenue and Expenditure

	1999-2000 Estimates \$000s	1999-2000 Actuals \$000s	Variances over (under) \$000s	Notes
Agricultural Credit Corporation of Saskatchewan				
Loan Management and Administration	5,933	5,283	(650)	38
Interest Subsidy	10,600	10,600	-	
Subtotal	16,533	15,883	(650)	
Crop Insurance				
Program Delivery	25,600	19,950	(5,650)	39
Crop Premiums	63,300	52,428	(10,872)	40
Livestock Feed Premiums	1,500	828	(672)	41
New Crops Premiums	1,200	2,152	952	42
Waterfowl Damage Compensation Program	2,000	1,805	(195)	43
Big Game Damage Compensation Program	800	820	20	44
Financing Costs-Operating	1,500	-	(1,500)	45
1999 Supplemental Unseeded Acreage Benefit Program	-	10,000	10,000	46
1999 Unseeded Acreage Benefit Companion Program	-	3,771	3,771	47
Subtotal	95,900	91,754	(4,146)	
Total Expenditure	213,052	337,797	124,745	
Statutory Adjustments for Revolving Funds	803	-	(803)	48
Special Warrants	90,002	-	(90,002)	49
Total Revised Estimates and Expenditure	303,857	337,797	33,940	
FTE Staff Complement (FTE-Full Time Equivalent)	530	525	(5)	50

These financial schedules have been prepared in accordance with the government's accrual accounting policies.

Note: Totals may not add due to rounding.

Financial Schedules - Notes

Explanations of variances which exceed \$20,000 between Estimates and Actuals.

Revenue

1. Demand for agricultural land was higher than estimated due to the increase in Treaty Land Entitlement sales.
2. The Revenue Budget was developed in the fall of 1998, however because of a substantial increase in the price of oil, the number of new oil wells drilled on Crown land was much higher than estimated resulting in increased Petroleum and Gas revenues.

Also the Cultivation Lease Revenue budget used a lease rate estimate of \$9.90/acre. The actual rate of \$11.29/acre was not calculated until January 1999 as it is based on such factors as grain prices and land productivity.
3. Interest revenue was lower as some producers obtained private financing and paid out their land purchase loans ahead of schedule.
4. Administration expenses for SCIC are cost-shared 50/50 by the federal and provincial governments. The department advances SCIC 100 per cent of the funding and the federal government then reimburses the department. In 1999-2000, SCIC's actual administration expenses were lower than expected, resulting in a lower reimbursement from the federal government.
5. \$112,000, relating to the collection of previously written off GRIP (Gross Revenue Insurance Program) receivables and interest, was recorded as revenue in 1999-2000.
6. Revenues for the issuing of leases, recording leases, and executing assignments were higher than budgeted due to increased activity.
7. Interest Revenue from the Short-term Hog Loan Program was not budgeted.
8. The Agricultural Credit Corporation of Saskatchewan (ACS) under legislation, must return to the department any unused grant surplus. At the time of 1998-1999 budget preparation it was anticipated that all grant funding provided to ACS would be fully utilized. The 1998-1999 surplus was recorded as revenue in 1999-2000.

Expenditure

9. Underexpenditure resulted from a reduction in the Vacation and SDO Entitlement liability.
10. Postage, courier, freight and photography service costs were below estimates.
11. Funding allotted in the 1999-2000 budget to support development of the agriculture industry was not fully utilized. The number of agricultural interest groups requesting and receiving support was lower than expected.
12. Fewer producers were subject to compensation as more land was purchased from lenders.
13. Several parcels of land surrounding Crown pastures were purchased from the Federal Government. This purchase was not included in the budget.
14. When the department sells land for less than its original cost, a loss is recorded. In 1999-2000, the amount of Crown land sold at lower than cost was less than anticipated.
15. The increase in the allowance for uncollectable account receivables was lower than budgeted.
16. The Community Pastures Program (Conservation and Development Revolving Fund) cash expenditures exceeded cash revenues resulting in net financing as required by law. Continued investment in capital asset improvements is necessary to operate the pastures efficiently and effectively. Also, revenue was below budget as drought conditions in some southern pastures resulted in fewer cattle grazed. As well, moisture conditions in northern areas resulted in good grass conditions which allowed producers to graze their own cattle.
17. Expenditures were higher because of unexpected claims on the Livestock Loan Guarantee Program.
18. Meat Inspection costs were higher than budgeted because of increased cattle slaughter.
19. The amount lent out under the Short-term Hog Loan Program was not as high as anticipated, and as a result less was needed for the loss allowance.

20. The Livestock Services Revolving Fund cash expenditures exceeded cash revenues resulting in net financing as required by law. Operating expenses exceeded the budget while revenue decreased marginally.
21. The program experienced unbudgeted expenditures including travel costs associated with the Saskatchewan-Manitoba Farm Income Delegation trip to Ottawa.
22. Savings resulted from vacant positions.
23. Program experienced unbudgeted expenditures including the national advocacy campaign and other advertisements related to the farm income crisis.
24. The Vacation and SDO Entitlement liability for this new program was not budgeted.
25. There was an increase in the need to use part-time staff to review research applications.
26. The number of projects approved for funding was fewer than anticipated.
27. Increased funding was provided to the Strategic Research Program Value-Added Meats Area.
28. The number of projects funded was lower than anticipated.
29. Savings resulted from vacant positions and reduced travel.
30. There was an increase in Vacation and SDO Entitlement.
31. Program overexpenditures resulted from an increased need for part-time staff, increased Vacation and SDO Entitlement Liability and provision for a guaranteed liability.
32. Savings resulted from vacant positions and reduced travel.
33. Savings resulted from vacant positions and reduced travel.
34. The department provided adequate funding in prior years to cover the current year's provision for loss on investment and therefore no funding was provided in 1999-2000.
35. The NISA program enhancement for the 1998 stabilization year was not budgeted. As well, provincial contributions to NISA were higher due to higher than expected producer eligible net sales and matching contributions, and higher interest bonus because of larger NISA account balances.
36. The Canada-Saskatchewan Adjustment Program was a new initiative late in the year and therefore was not budgeted. This is a one-time payment of \$260 million to help Saskatchewan farmers complete their adjustment to the elimination of the Crow Benefit. This program is funded \$180 million from the Federal Government and \$80 million from the Provincial Government and is paid out to farmers on the basis of eligible net sales.
37. Final funding to the two year Federal-Provincial AIDA program. The province contributed \$140 million to AIDA in 1998-1999. However, as per the Federal-Provincial Agreement, an additional \$35 million was required.
38. Employee resignations were greater than expected during the continued wind-up of ACS.
39. Claim related administration costs were lower due to a better than average crop year, which resulted in the filing of less claims than an average year.
40. Producers insured fewer acres than expected, resulting in lower provincial crop premium contributions.
41. Reduced participation by producers resulted in lower provincial premium contributions.
42. Producers insured more acres under the New Crops Program than expected, resulting in higher provincial premium contributions.
43. The provincial contribution is based on 50 per cent of the average claims paid out under the program over the previous five year period.
44. The provincial contribution is based on 50 per cent of the average claims paid out under the program over the previous five year period.
45. SCIC has been able to build its reserves because the number of crop insurance claims has been relatively low. Therefore, SCIC did not require any long or short-term financing.
46. This was a new program initiative to provide supplemental assistance to Crop Insurance customers who could not plant a crop due to excess moisture conditions in spring 1999.

47. This was a new program initiative to provide assistance to non-Crop Insurance customers who could not plant a crop due to excess moisture conditions in the spring of 1999.
48. Since Revolving Funds are given statutory authority to spend within certain limits, the actual net financing requirements (or recovery) that occurs in the year does not come out of the department's base budget. Instead, the department's base budget is adjusted to reflect the actual net financing required (or recovered).
49. Special Warrants increase the department's Estimates and are disclosed in the Public Accounts as an increase in the appropriations. Special Warrants may only be issued when the Legislature is not in session. In 1999-2000, the department received Special Warrants for the NISA Enhancement (\$10 million), the Canada-Saskatchewan Adjustment Program (\$80 million) and to establish the 1999 Unseeded Acreage Benefit Program (\$2 thousand).

FTE

50. The variance was a result of vacant staff positions throughout the year.

Saskatchewan Legislation Administered by Saskatchewan Agriculture and Food 1999-2000

<i>The Agricultural Credit Corporation of Saskatchewan Act</i>	<i>The Land Bank Repeal and Temporary Provisions Act</i>
<i>The Agricultural Development and Adjustment Act</i>	<i>The Leafcutting Beekeepers Registration Act</i>
<i>The Agricultural Equipment Dealerships Act</i>	<i>The Line Fence Act</i>
<i>The Agricultural Operations Act</i>	<i>The Livestock Facilities Tax Credit Act</i>
<i>The Agricultural Safety Net Act</i>	<i>The Livestock Investment Tax Credit Act</i>
<i>The Agricultural Societies Act</i>	
<i>The Agri-Food Act</i>	<i>The Milk Control Act, 1992</i>
<i>The Agri-Food Innovation Act</i>	
<i>The Agrologists Act, 1994</i>	<i>The Noxious Weeds Act, 1984</i>
<i>The Animal Identification Act</i>	
<i>The Animal Products Act</i>	<i>The On-farm Quality Assurance Programs Act</i>
<i>The Animal Protection Act, 1999</i>	
<i>The Apiaries Act</i>	<i>The Pastures Act</i>
	<i>The Pest Control Act</i>
<i>The Cattle Marketing Deductions Act, 1998</i>	<i>The Pest Control Products (Saskatchewan) Act</i>
<i>The Crop Insurance Act</i>	<i>The Pollution (By Livestock) Control Act, 1984</i>
<i>The Crop Payments Act</i>	<i>The Prairie Agricultural Machinery Institute Act, 1999</i>
	<i>The Provincial Lands Act (*)</i>
<i>The Department of Agriculture Act</i>	
<i>The Diseases of Animals Act</i>	<i>The Sale or Lease of Certain Lands Act (*)</i>
	<i>The Saskatchewan 4-H Foundation Act</i>
<i>The Expropriation (Rehabilitation Projects) Act</i>	<i>The Saskatchewan Farm Security Act (*)</i>
<i>The Expropriation Act</i>	<i>The Seed Grain Advances Act</i>
	<i>The Soil Drifting Control Act</i>
<i>The Farmers' Counselling and Assistance Act</i>	<i>The Stray Animals Act</i>
<i>The Farm Financial Stability Act</i>	
<i>The Farming Communities Land Act</i>	<i>The Vegetable, Fruit and Honey Sales Act</i>
	<i>The Veterinarians Act, 1987</i>
<i>The Grain Charges Limitation Act</i>	<i>The Veterinary Services Act</i>
<i><u>The Grain and Fodder Conservation Act</u></i>	
	<i>(*) Joint responsibility</i>
<i>The Horned Cattle Purchases Act</i>	
<i>The Horticultural Societies Act</i>	

Appendix A

Special Purpose Funds and Agencies with Legislative Responsibility to Saskatchewan Agriculture and Food as of March 31, 2000

Year End

Special Purpose Funds (Financial Statements are tabled separately)

Agri-Food Equity Fund	March 31
Cattle Marketing Deductions Fund	March 31
Conservation and Development Revolving Fund	March 31
Horned Cattle Fund	March 31
Livestock Services Revolving Fund	March 31
Saskatchewan Agricultural Stabilization Fund	March 31

Agencies (Annual Reports are published separately)

Agricultural Credit Corporation of Saskatchewan	March 31
Agricultural and Food Products Development and Marketing Council	December 31
Agri-Food Innovation Fund	March 31
Beef Development Board	March 31
Milk Control Board	December 31
Prairie Agricultural Machinery Institute	March 31
Saskatchewan Crop Insurance Corporation	March 31
Crop Reinsurance Fund of Saskatchewan	March 31

Agencies under the Agricultural and Food Products Development and Marketing Council

Saskatchewan Alfalfa Seed Producer's Development Commission
Saskatchewan Broiler Hatching Egg Producer's Marketing Board
Saskatchewan Canola Development Commission
Canodev Research Inc.
Chicken Farmers of Saskatchewan
Saskatchewan Commercial Egg Producer's Marketing Board
Saskatchewan Flax Development Commission
Saskatchewan Pulse Crop Development Board
Saskatchewan Sheep Development Board
Saskatchewan Turkey Producer's Marketing Board
Sask Pork

Notes